Housing Authority of Portland Board of Commissioners Meeting

HAP staff held an annual silent dessert auction to kick off the 2009 employee giving campaign. Thirty-six items were donated and more than $1000 was raised during the lunch hour on Halloween. Auction proceeds were donated to the Oregon Food Bank.

Housing Authority of Portland
Board of Commissioners Meeting
Multnomah County Building
501 SE Hawthorne Blvd.
(located at the east end of the Hawthorne bridge)
Portland, Oregon
November 18, 2008, 6:15 PM

www.hapdx.org

HOUSING AUTHORITY OF PORTLAND

INDEX FOR ELECTRONICALLY DISTRIBUTED BOARD OF COMMISSIONERS BOARD MEETING PACKET FOR NOVEMBER 18, 2008

PUBLIC NOTICE:

THE HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS
will meet on
Tuesday, November 18, 2008
At 6:15 pm
At the Multnomah County Building – Commission Room
501 SE Hawthorne Blvd, Portland

TO: COMMUNITY PARTNERS

FROM: STEVE RUDMAN

DATE: November 12, 2008

The Board of Commissioners of the Housing Authority of Portland will meet on Tuesday, November 18, 2008 at the Multnomah County Building – Commission Room 501 SE Hawthorne Blvd, Portland at 6:15 P.M. The commission meeting is open to the public.

The meeting site is accessible, and persons with disabilities may call 503-802-8501 or 503-802-8554 (TTY) for accommodations (e.g. assisted listening devices, sign language, and/or oral interpreter) by 12:00 pm (noon), Friday, November 14, 2008.

CONSENT CALENDAR MINUTES

HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING
Multnomah County Building – Board Room
501 SE Hawthorne Blvd
Portland, OR
November 18, 2008 6:15 PM

INTRODUCTION AND WELCOME

PUBLIC COMMENT

General comments not pertaining to specific resolutions. Any public comment regarding a specific resolution will be heard when the resolution is considered.

BOARD OF COMMISSIONERS COMMENTS

Report	Nominating Committee Report	**Lee Moore, Vice Chair**
	Election of Officers for 2009	**Jeff Bachrach, Chair**

MEETING MINUTES *(Consent Calendar/Minutes TAB)*

Topic
Minutes of October 21, 2008 BOC Meeting

REPORTS / RESOLUTIONS

08-11-	**TOPIC**	**Presenter/POC**	**Phone #**
Report	**Executive Director's Report** ***(Exec Director TAB)***	**Steve Rudman**	503.802.8455
01	Authorization to Adopt **Revisions to the Section 8 Administrative Plan Relating to the Section 8 Housing Choice Voucher Program**	**Jill Riddle**	503.802.8565
Report	**Resource Access Center Development**	**Mike Andrews**	503.802.8507
02	Authorize the **Resource Access Center LIHTC Application**	**Mike Andrews**	503.802.8507
Report	**2008 2nd Quarter Financial Results**	**Todd Salvo** **Julie Satterwhite**	503.802.8535 503.802.8354

ADJOURN

EXECUTIVE SESSION

The Board of Commissioners of the Housing Authority of Portland may meet in Executive Session pursuant to ORS 192.660(2). Only representatives of the news media and designated staff are allowed to attend. News media and all other attendees are specifically directed not to disclose information that is the subject of the session. No final decision will be made in the session.

The **next regular meeting** of the Board of Commissioners is scheduled for **December 16, 2008 at 6:15 PM** and it will take place at the Multnomah County Building, 501 SE Hawthorne Blvd., Portland.

HOUSING AUTHORITY OF PORTLAND
BOARD OF COMMISSIONERS MEETING MINUTES
October 21, 2008
Housing Authority of Portland
135 SW Ash, Portland, OR

COMMISSIONERS PRESENT:
Chair Jeff Bachrach, Commissioners Gretchen Kafoury, Jim Smith, Nathan Teske, Gavin Thayer

STAFF PRESENT:
Steve Rudman, Katie Such, Michael Andrews, Martha Armstrong, Peter Beyer, Michael Buonocore, Robert Dell, Rachel Duke, Caroline Fitchett, Jacob Fox, John Manson, Shelly Marchesi, Rosanne Marmor, Jill Riddle, Todd Salvo, Julie Satterwhite, Veronica Sherman King, Celia Strauss.

LEGAL COUNSEL:
Steve Abel

Chair Bachrach called the meeting to order at 6:15 PM.

The Nominating Report was postponed until Vice-Chair Lee Moore is in attendance.

MEETING MINUTES
Chair Bachrach called for a motion to adopt the minutes of the September 16, 2008, Board of Commissioners meeting. Commissioner Kafoury moved to adopt the minutes and Commissioner Teske seconded the motion.

The vote was as follows:
Chair Bachrach, Aye
Commissioner Kafoury, Aye
Commissioner Smith, Aye
Commissioner Teske, Aye
Commissioner Thayer, Abstained

REPORTS
Oregon Legislative Briefing

Shelley Marchesi introduced Phil Donovan of the Oregon Housing Alliance. Donovan was pleased to have been working with the state legislature to bring attention to housing in legislative public policy debate. In 2007, advocates were able to refine Oregon housing authority statutes, which allowed housing authorities to own mixed-income properties and clarified prevailing wage rates for affordable housing. Donovan credited the work done by Katie Such for helping make these changes. Other accomplishments included $26 million of funding toward affordable housing development, restoring housing plus money, and other preservation and homelessness actions.

The Alliance wants to continue pushing for housing policy. Its agenda for 2009 includes increasing the document recording fee to raise funds (which the governor has expressed interest in advocating), devoting lottery proceeds to fund housing programs, and an allocation from the general fund.

The Alliance has added members (e.g. the City of Portland and Multnomah, Clackamas, and Washington Counties), and has been working with other organizations (e.g. realtors', home builders', and bankers' associations) to get 5000 endorsements for their agenda. Donovan asked HAP to endorse the agenda as well.

Commissioner Thayer asked what sort of support the Alliance has been given from realtors. Donovan said the Alliance expects active advocacy from the realtors association.

Commissioner Teske asked what the uses would be for the recording fee money. Donovan listed four: 70% to develop new affordable housing, 10% to an emergency housing account (homelessness efforts), 14% for homeownership opportunities, and 6% to increase the capacity of affordable housing developers to develop properties.

Chair Bachrach asked about the prospects for getting the projected $52 million from the general fund. Donovan said it may be difficult to get that precise amount from the fund, but they would still work to set priorities for when there is more in the fund.

Commissioner Thayer asked if t is reasonable to expect a contribution from the general fund. Donovan said the broad coalition should allow them to get some funds.

Commissioner Kafoury moved to endorse the agenda; Commissioner Thayer seconded the motion.

The vote was as follows:

Chair Bachrach, Aye
Commissioner Kafoury, Aye
Commissioner Smith, Aye
Commissioner Teske, Aye
Commissioner Thayer, Aye

Commissioner Thayer noted that commissioners might be available to testify before the legislature. Donovan encouraged the commissioners to individually endorse the agenda to receive updates on its progress.

Executive Director's Report
Executive Director Rudman reminded the commissioners of the successful opening event at Humboldt Gardens in September. Humboldt Gardens is one of HAP's Opportunity Housing Initiative (OHI) sites, and partner organizations are working on-site. The Gresham edition of The Oregonian ran a story about the OHI, and the clip is in the Board's media packet.

Rudman summarized the meeting's agenda and upcoming events: The Board would vote to authorize policy changes reflecting the program giving priority to permanent supportive housing referrals—a contribution to the City's goal of ending chronic homelessness. HAP has units in some properties to accommodate the referrals, and the program helps provide services to the referred tenants and others tenants at the properties. The Board would hear about updates to the business plan. The Board's packet had follow up information from the public comments made in the last meeting. HAP's annual awards banquet had been scheduled for December 12. The Board's retreat had been scheduled for January 30-31.

Rudman called on Todd Salvo to present the Board with information on HAP's financial status. Salvo noted that HAP had $22 million in cash reserves, which increases as scattered sites sell. HAP had invested those reserves as allowed by Oregon statutes. HAP had moved away from investment in corporate notes and commercial paper, avoiding losses from the current financial downturn. HAP had collateralized certificates of deposit with Bank of America, which provide less of a return, but would likely remain stable.

Chair Bachrach asked if HAP's credit swaps could be considered problematic. Salvo noted that HAP's three swaps were with Bank of America, Wells Fargo, and Bank of New York—each of which had weathered the financial tumult well. Rudman noted that, though HAP had money in reserve, much of it had already been committed to new development and other projects.

RESOLUTION
08-10-01 – Authorization for Public Housing to Modify the Admissions & Continued Occupancy Policy (ACOP) to Give Priority to Permanent Supportive Housing Referrals

Deputy Executive Director Katie Such introduced the resolution with Jacob Fox, Rachael Duke, Rosanne Marmor, and Marc Jolin (Executive Director of JOIN). Such noted that Portland's Bureau of Housing and Community Development worked hard to institute the program that this change will help implement.

Fox noted that the resolution would modify HAP's ACOP—a policy HUD requires HAP to maintain in order to get any public housing subsidy. The restated policy would make it clear internally and externally how applicants are accepted. A clear statement of policy is important because there are many rules for admissions and many people who seek admission. The referral partnership itself (including HAP, JOIN, Human Solutions, and TPI) had worked well to date.

Internally, the program has helped to address the systems alignments stressed by the Board. Duke noted that the program had created an opportunity for Resident Services staff to communicate with Real Estate Operations staff, and has been a good way to meet the needs of people who are homeless.

Marmor explained that Resident Services monitors whole buildings with three main focuses: housing stability, crisis intervention, and health and safety. Partner-organization case management, on the other hand, focuses on the individual resident who needs a particular service. Thus, Resident Services can be a conduit for the resident to reach case managers. A more detailed review of the program is planned for a future Board meeting.

Jolin provided JOIN's background for the partnership. JOIN has developed a street outreach team over the last ten years. It works with homeless people living on the street, to get them back into housing. The team engages people on the street, helps them through paperwork and background issues, gets them start-up household items, and connects them with on-site services that can help them maintain as much contact as the person needs. Typically the clients meet the definition of chronically homeless or high-resource-using families—both of which are eligible for the priority units under this program. That priority has allowed actual placement into units, instead of onto waiting lists. The retention rate for those they place has been 92%, as opposed to 70%, organizationally. Specific details vary by the individual, but the primary goal is to have the tenant engage with the community and retain the housing.

Commissioner Thayer asked if there had been any collaboration with law enforcement, given feedback he has heard that law enforcement can be frustrated with the problems associated with homelessness. Jolin noted that the street engagement team works with the same people that the police see, but do not have the resources to help with every situation. Nevertheless, individual team members maintain contact with the police officers they see. Jolin also noted a 90% drop in police contact for those who get into units. Some frustration may be due to the police having a different mission than the partner organizations and the need for some higher-level policy work. Commissioner Thayer said that he sensed that officers do not know of JOIN as a resource, so perhaps work could be done on introductions. Jolin noted that JOIN has only six outreach workers, so officer referrals will not always get addressed in the way officers want. Fox noted that HAP has made progress in working with law enforcement (such as the Northeast Precinct and the Office of Neighborhood Involvement), and reminded attendees of the recent dedication of a community center at Maple Mallory to a police officer.

Chair Bachrach asked for clarification of a memo from Portland's Bureau of Housing and Community Development about the units assigned to this program. Marmor explained that there are three partners, TPI, Human Solutions, and JOIN, and the program encompasses ten units each at Hollywood East, Northwest Tower, and Northwest Tower Annex. Such added that the current authorization is to adopt the ACOP policy because the program had already been authorized by the Board.

Commissioner Thayer asked if the $500,000 in funding from the City is ongoing. Such noted that it has not been provided as an ongoing commitment. Rudman pointed out that this is, in a sense, a pilot program, the success of which can be evaluated along the way.

Chair Bachrach asked how the program aligned with the 20-60-20 (20% needing high support levels, 60% relying on waiting lists when they need support, and 20% moving out of HAP's housing support systems) concept of housing support—whether the goal is to work with partner organizations to provide for all of the 20% that needs permanent supportive housing. Rudman offered that could be how it ends up, but the quantifying of needs is still underway, and the ultimate design of HAP's approach is not set as of yet.

Chair Bachrach noted that residents at Northwest Tower felt terrorized by their living environment when he originally joined the Board. He asked everyone involved to be certain to consider all of a property's residents when placing people—especially if we are lowering admission standards. Fox noted that the residents causing problems when Chair Bachrach joined the Board were not individuals who would have fit the definition of chronically homeless. Also, the chronically homeless people have already entered our system via regular waiting lists, and the ones arriving via referrals bring proactive service providers. Duke noted that we have added one Resident Services Coordinator in each building that is involved with the partnership—which is better for all residents.

Chair Bachrach asked how much of the $500,000 subsidizes the units versus the Coordinators. Fox did not have the exact numbers, but assured the Board that the program's budget has the funds to subsidize the units because it assumed the referrals would not have income. Even assuming no income, the funds for the Coordinators was available in the budget.

Jolin noted that JOIN has set up similar referral systems with private landlords, who have found that resulting tenants are more stable than those the landlords screen themselves. Additionally, JOIN has worked with tenants as they leave a property, if that is ever needed.

Commissioner Teske asked how the program is performing operationally, given the uncertainty of funding beyond two years. Duke said that staff knows of the potential two-year limit and partner organizations know that things might shift in two years. HAP would clearly prefer to have the agreement renewed, but the residents are of a population that HAP already serves, so major changes would hopefully not be needed if funding is not renewed.

Commissioner Thayer asked for confirmation that there is no change to the number of tenants per unit of a certain number of bedrooms; confirmed by Deputy Executive Director Such.

Commissioner Thayer moved to adopt the resolution. Commissioner Teske seconded the motion.

The vote was as follows:

Chair Bachrach, Aye
Commissioner Kafoury, Aye
Commissioner Smith, Aye
Commissioner Teske, Aye
Commissioner Thayer, Aye

RESOLUTION 08-10-02
Authorization to Execute On-Call Mechanical, Electrical, and Plumbing Engineering Contracts

Mike Andrews noted that HAP is continually involved in capital improvement projects, including small projects that do not need the full services of a design and engineering team. For such projects, having a set of contractors to call, instead of completing the full procurement process for every task, is more efficient. This authorization is for mechanical, electrical, and plumbing engineering. The Board has authorized similar contracts for legal work and other services.

John Manson noted that the contracts with the two selected firms will replace an expired contract. HAP would use the firms to evaluate systems, prepare cost estimates, estimate remaining life of components, and more—all of which will help plan and budget resources. Selection of the firms followed a formal request for proposals, submission of nine proposals, and evaluation of the proposals by a selection committee. The contracts are each for

$200,000, and work would be arranged by staff contacting either vendor (depending on the firm's specialty) for an identified task.

Commissioner Kafoury moved to adopt the resolution. Commissioner Smith seconded the motion.

The vote was as follows:

Chair Bachrach, Aye
Commissioner Kafoury, Aye
Commissioner Smith, Aye
Commissioner Teske, Aye
Commissioner Thayer, Aye

Housing Authority of Portland's Three-Year Business Plan Update

Rudman noted that the printed updates were in the Staff Reports section of the Board packet. They give a good view of the amount of work that is done at HAP each day, work that involves many people and factors. The plan is important externally, letting partner organizations know our priorities, and internally, to track progress toward our goals. The plan is a living document, and HAP is making progress toward almost every objective. Regular review of the plan is helpful, and, to that end, it has been posted on HAP's intranet. Steve affirmed that he appreciates how the plan was composed and how Katie Such has followed through on getting the updates.

Rudman noted the big picture of HAP's mission, including that the 20-60-20 breakdown envisions HAP bringing housing to the table with partner organizations contributing support and services. This approach was first referenced in HAP's Moving-to-Work (MTW) Plan, which Michael Buonocore is now monitoring. The plan's fifth goal was about our leadership in the community, which the Clegg study addresses.

Such noted that the plan depicts the operational execution of the Board's policy decisions and will be updated every quarter. Such highlighted the following updates for each Business Plan Goal.

For Goal One, HAP has full utilization of Section 8 vouchers, and will present more in the coming months about plans for preserving and creating new housing options.

For Goal Two, HAP has hired Caroline Fitchett to promote resident engagement. Commissioner Thayer noted that he appreciated the responses Fitchett has already provided him. HAP has also hired Michael Buonocore to oversee MTW planning and reporting. Upcoming stages for the goal include rent reform and evaluation of the Opportunity Housing Initiative.

Goal Three covers decision-making, which is fairly internal. Decision-making starts with the Board, so Goal Three will likely be discussed at the Board Retreat.

Goal Four covers what we accomplish internally to achieve our organizational goals. Highlights include the Business Continuity Plan and Yardi upgrade.

Commissioner Teske noted Objective E of Goal 2, which mentions applying for funding from the Mayor's office. He related that an organization that was previously awarded the funding did not get it this time and some worried that HAP's resources meant that it could always out-compete other applicants. He asked how HAP decides when to apply for funding versus when to contract with partner organizations. Rudman noted that the specific funding in Objective E does involve a subcontracted organization, and that particular project is a critical piece of HAP's community building and livability goals. In other cases, HAP's course is determined by the situation and regular review of it, so the competition aspect is good to note. Chair Bachrach noted that the same determination must be made in the development of properties.

Veronica Sherman King noted that the subcontractor that is involved with the funding may have generated apprehension after a recent re-direction of its efforts, and that could be part of the worry that Commissioner Teske has discerned. She also noted that Resident Services has honed what is done internally over past years, though New Columbia is an exception given the density of the development. Outside of New Columbia, HAP works a great deal with partner organizations, though the Opportunity Housing Initiative does involve some case management.

Chair Bachrach asked when the Board might be engaged regarding rent reform. Such noted that Shelley Marchesi and Michael Buonocore would begin engaging the Board in advance of formal discussions in February, with further discussions as financial modeling is done over the next few years.

Chair Bachrach requested a memo showing the progress of scattered site sales and replacement with similar-occupancy units. Such recalled that this information was noted in the Board Work Session, and can be reviewed as needed.

Chair Bachrach asked for an update on efforts to continue the Short-Term Rent Assistance (STRA) program. Such noted that staff had changed and an evaluation of the program is still underway.

Commissioner Thayer noted, regarding Goals Two and Four, that he had spoken with Todd Salvo and Brenda Carpenter about having more HAP publications available online (forms, newsletters, and more). Such accepted that that was an important goal, but deferred to the information Commissioner Thayer received from Salvo. Commissioner Thayer noted that he was aware of the steps needed to be achieved on the way to the goal and wanted only to ensure that progress continue.

Chair Bachrach adjourned the meeting at 7:40 PM.

<u>EXECUTIVE SESSION</u>

The Board of Commissioners of the Housing Authority of Portland did not meet in Executive Session pursuant to ORS 192.660(2)(c).

Attached to the Official Minutes of the Housing Authority of Portland are all Resolutions adopted at this meeting, together with copies of all memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing Resolutions. A taped recording of the proceedings is also kept on file.

Celia M. Strauss
Recorder, on behalf of
Steven D. Rudman, Secretary

ADOPTED: November 18, 2008

HOUSING AUTHORITY OF PORTLAND

____
Jeff Bachrach, Chair

ATTEST:

____
Steve Rudman, Secretary

EXECUTIVE DIRECTOR'S REPORT

M E M O R A N D U M

HAP
HOUSING AUTHORITY OF PORTLAND
Office of the Executive Director

DATE: November 12, 2008

TO: Board of Commissioners

FROM: Steve Rudman

SUBJECT: November Executive Director's Report

The history shaping events of the last week have renewed my optimism about the future of the programs we administer on behalf of those who are most vulnerable among our citizens. While president-elect Obama has not yet formally signaled his housing priorities, he did so in a fair amount of detail as a candidate, going so far as to stipulate that his administration would restore full funding for the public housing operating subsidy. This week, I am traveling to Washington D.C. to an industry meeting where we will discuss the future of public housing. Our discussion is the culmination of nearly a year's work by leading policy makers and practitioners in the field. I will report on our conclusions and next steps at the board meeting next week. As preparation for that discussion, I urge you to read the "The Future of Public Housing" policy framework that follows this report.

The business we will conduct at the board meeting includes presenting our recommendations for changes to the administrative plan that guides our Section 8 operations; an update on the Resource Access Center development, with a request to authorize our application for tax credits in support of the project; and an update on our second quarter financial results.

<u>Section 8 Administrative Plan Changes</u>
In the two months since we first presented these changes to you, we have been discussing them with various community partners, including the Housing and Community Development Commission (HCDC), Legal Aid, and housers who use our project-based Section 8 vouchers in their developments. We also met with a focus group of Section 8 participants.

As a reminder, these changes are being made to bring our administrative plan in line with our practices and to ensure consistency on the part of our Section 8 staff. We used a template from a well-respected consulting firm, Nan McKay, as the basis for reviewing and updating our plan. Nan McKay works closely with HUD and leads the nation in providing training on Section 8 regulations and certifying housing authority staff in the various areas of this very complex program.

Jill Riddle and her team have made several changes to our original recommendations based on feedback we received from these different parties. We have included our response to Legal Aid and charts that outline the amendments to our recommended changes in your board packet. In some cases these changes relaxed proposed changes in recognition of the challenges our participants face. For instance, we originally recommended that we change our plan to require one additional form of documentation in addition to self-certification from victims of domestic violence. We have amended this and now propose that we require more than self-certification only in those instances where there are legitimate concerns about the person's credibility. In other cases, we agreed to changes to clarify language that could have been interpreted as inconsistent in different sections of the plan. And in some cases we stood firm, keeping, for instance, our recommendation that we terminate participants who are convicted of identify theft, just as we deny entry to the Section 8 program for persons who have this particular criminal history.

I should note that Legal Aid took the fairly narrow set of changes we are proposing as an opportunity to comment on the entire administrative plan. You will see from our responses to their correspondence that they suggested policy changes in several areas that we don't believe should be changed. While we appreciate their attention to our program and concern for participants, we have previous board approval for these policies and believe there are sound reasons for continuing them.

In parallel with making these changes, we have been moving forward with Commissioner Fish's office to form a task force to work on improving the success rate individuals have in using their Section 8 vouchers in the private rental market. Commissioner Fish is hoping to convene the first meeting of the task force before year end, and we are recommending a membership that includes advocates, representatives of the landlord community, HAP and other public sector partners.

<u>Resource Access Center Update</u>
I will leave the update for the board meeting itself and just mention that we continue to do everything in our power to move this project forward in a way that is responsive to the City of Portland's wishes and the objectives that have been agreed upon by the different project stakeholders. With the budget pressures the City faces, I think it is fair to say that this project is under careful and

comprehensive review by each of the City Commissioners, as well as our incoming Mayor. It still enjoys strong support. However, over the next few months we could see both the physical design and the program reshaped to reflect the changing environment for tax credits and Portland's ability to finance major capital projects.

Second Quarter Financial Results

Todd Salvo and Julie Satterwhite will review our financial position as of September, the mid-point of our fiscal year, with a look at our financial results compared to budget as well as a review of our cash reserves and the analysis that is conducted in support of the management of those reserves.

The financial operating performance for the six months is favorable to what was anticipated when we prepared our current year budget nearly one year ago. Most notable is the increased funding that we are receiving from HUD under our Section 8 voucher program. While we are fully leased and our per-voucher costs have been increasing, HUD has funded the program at a higher amount than planned. The additional funding is due to new vouchers for veterans and for the disposition of scattered sites, along with an inflation-driven increase in the funding calculation and proration of just over 101 percent. This condition is chiefly responsible for the unutilized subsidy that, as you recall, we have assigned to initiatives in support of our Moving to Work objectives.

The financial performance and current position at mid-year has the agency well poised to continue pressing forward on the important initiatives and projects on our agenda. Todd will review our cash reserves analysis with you in more detail at the board meeting.

Upcoming Events

Our December board work session is tentatively slated for Wednesday, December 3, and the board meeting is on December 16. We also hope you will be able to join us for the agency's annual awards banquet on Friday, December 12.

The Future of Public Housing

Policy Framework

We, the undersigned, have joined together in the Summit on the Future of Public Housing to assert that the only effective permanent solution to the challenges confronting public housing is a new paradigm, based on national goals, and grounded in principles that provide the resources and appropriate flexibility to preserve and use public housing assets in ways that benefit and support communities and residents over time.

Particularly in the midst of the unprecedented financial crisis and economic disruption our nation now confronts, which emanates from dysfunction in the housing markets, we affirm our belief that decent and affordable housing is a fundamental building block for healthy families and communities and that promoting it must be at the center of our national housing policy. Critical to that goal is a transformed, proactive, and vibrant public housing program that is responsive to local housing needs, addresses the substantial backlog in public housing capital improvements, sustains public housing operations in the future, and enables public housing to be a platform that fosters access to new partners who can bring additional resources and expertise to address the human service needs of residents.

Therefore, we cannot resign ourselves to the prevailing view that our task is merely to allocate and manage the scarce resources which the existing program model and politics provide. We reject the false choices and conflicts that have been forced upon us by misaligned national priorities and a program structure which no longer adequately supports our primary and collective mission of providing decent, safe, and affordable housing. Rather, a coordinated strategy of fundamental statutory and programmatic change focused on Reinvestment, New Partnerships, and Institutional Reform is necessary.

As a foundation for this new public housing paradigm, we have proposed a strategy with the following interdependent objectives:

- Attract new private and public capital investment to ensure safe, high-quality housing for residents by eliminating the substantial capital backlog and providing for future needs.

- Change the program structure to facilitate adequate and reliable revenues, including offering PHAs the option to transition individual properties to other program models.

- Maintain our commitment to decent, safe housing at rents affordable to the current mix of residents for the long term in communities that advance our nation's fair housing and civil rights goals.

- Redefine the relationship between HUD and PHAs through sensible regulation that achieves both accountability and the flexibility to address local conditions.

- Enable PHAs to expand partnerships with others who share our commitment to serve low-income families, seniors, and persons with disabilities and reframe our mission in ways that attract partners who can provide access to new resources and expertise that promote complementary goals, such as service-enriched housing, responsible environmental stewardship, and economic and educational opportunities that enhance choice and the quality of life.

I. The Challenge

Since 1937, public housing has been a floor, both literally and figuratively, for tens of millions of the nation's most vulnerable people, including seniors on fixed-income, persons with disabilities, low-wage workers, and families struggling to overcome health, educational, and other barriers to full participation in our economy and society. However, the availability, quality, and affordability of this critical resource is threatened by federal budget cuts, isolation from other potential partners and resources, and an outdated regulatory system that often focuses more on process than outcomes.

The nation suffered a significant net loss of public housing units between 1995 and 2008. While it has received little public attention compared to the mortgage mess and declining home values, this hidden housing crisis is no less devastating to the millions of Americans who call public housing home and for many of whom public housing is the first rung on the ladder of economic opportunity. The continuing decline in this scarce affordable housing resource also amounts to a waste of the federal government's $165 billion investment in the existing public housing infrastructure. The absence of a national strategy to reinvest in, leverage, and manage these assets has serious social and economic consequences that undermine the stability of neighborhoods, cities, and rural areas, including through the loss of construction and other jobs and the inability of businesses in many communities to attract and support the low-wage workers they need.

II. The Strategy

To achieve our goal, we propose the following strategy of three interdependent components, including Reinvestment, New Partnerships, and Institutional Reform:

1. **Reinvestment**: In the next 10 years, eliminate the tens of billions of dollars in public housing capital backlog, and provide for future needs, by—

- Ensuring sufficient and timely access to a menu of financing options, including low-income housing tax credits, debt financing, direct grants, and other resources that could become available through new strategic partnerships.
- Placing revitalized public housing on a sound financial footing by providing for a long-term funding structure that funds reasonable operating costs, allows for adequate replacement reserves, and provides opportunities to recapitalize to meet future needs.
- Converting some public housing to other affordable housing subsidy models with reliable funding, such as project-based vouchers or other project-based assistance under Section 8, to access capital and assure long-term affordability for extremely low-income households.

Based on the research and data available to us at this time, it is reasonable to estimate that the backlog of public housing capital investment needs is at least $32 billion.[1] Yet, recent annual appropriations for the most part have provided funding to address the additional repairs that accrue each year, but not enough funding to significantly reduce the backlog. Given the scale of this problem, it is hard to see how direct appropriations alone can remedy the long-term federal disinvestment in public housing, much less replace units that have been lost.

The good news is that despite federal budget cuts and regulatory obstacles, some PHAs have joined with private partners to make significant innovations in ways to preserve, improve, or replace public housing. Often, this has involved harnessing private resources through low-income housing tax credits, tax-exempt bonds, or other means and integrating them with basic public housing rules that mandate long-term affordability while recognizing investor risks. Some PHAs are going even further by converting public housing to other forms of subsidy such as project-based vouchers, which have had more stable funding and can be easier to use with private financing. There are other approaches that some PHAs would like to pursue, including mortgage financing to leverage the value of their public housing assets and the use of project based Section 8 assistance other than Housing Choice Vouchers.

Our reinvestment strategy is to build on this innovation by providing for a mix of reinvestment options with a scale and structure to fully address the capital backlog, stabilize operations with ongoing financial support, and protect and support residents. These options, which will need to be shaped and funded as necessary to allow for prompt availability and full effectiveness, will draw on the success of current activities and the promise of other subsidy models. They will also incorporate opportunities to promote investments through the new partnerships strategy, including renovated and enriched senior/disabled housing and green investments for all public housing developments.

[1] The $32 billion estimate is from information shared by the Center on Budget and Policy Priorities and includes funding both to renovate 1.06 million units and to replace 100,000 units. However, others believe that the need may be far in excess of that figure. HUD is also planning to conduct a capital needs assessment.

The reinvestment strategy must be coordinated and funded to facilitate fiscally responsible and realistic staging of a comprehensive effort over the next decade and must be accompanied by the changes in the federal administrative structure that are necessary for success. This strategy will also connect public housing with the broader world of affordable housing production and preservation. Adopting and implementing market-based real estate models should help to reduce public housing's exposure to the vagaries of the annual federal appropriations process and bring new allies into the fight for adequate resources.

Finally, the reinvestment strategy must address our shared concern about the loss of public housing units from the current inventory. There is strong agreement that adequate funding is critical to achieving the reinvestment strategy and a replacement policy. However, we struggle with how to develop a replacement policy with broad consensus. Some argue that a strict adherence to a one-for-one "hard" unit replacement policy is essential. Others believe that the one-for-one replacement policy must be conditioned on full funding for the replacement units which can be satisfied by either hard units or tenant based vouchers. To be sure, this is a critical and complex discussion and even groups who are naturally allied have nuanced views on this issue. To successfully implement the reinvestment strategy, it is essential to resolve these difficult issues, consistent with the foundational and interdependent objectives for this new public housing paradigm, including advancing our nation's fair housing and civil rights goals.

2. **New Partnerships**: Within one year, expand partnerships with entities that share our commitment to public housing preservation and transformation beginning with the following:
   - Senior Housing: Over 5 years, redevelop or convert 100,000 public housing units for seniors into high-quality, service-enriched facilities.
   - Green Public Housing: Fully integrate green building standards to rebuild or retrofit all 1.2 million public housing units as part of the reinvestment strategy.

Over the next 10 years, we will raise $10 billion to accomplish these two goals and generate a return on investment far beyond the scope of the initial capital. Savings in energy and utilities expenses will reduce costs and improve the long-term viability of our public housing stock. They can also provide resources for resident and supportive services by increasing senior and family supports and linking residents to education, job training and other economic opportunities. This $10 billion investment may be a component of, or additive to, the public housing reinvestment strategy.

Partnerships are integral to public housing's future and will make it possible to achieve the goals set forth while realizing the triple bottom line results of promoting economic opportunity, environmental sustainability and social equity. We support systematically integrating partnerships into the planning and delivery of public housing across the nation to create communities of choice, with the goal that residents have access to jobs, that families live in healthful environments, that persons with disabilities are connected to support services, and that the aging population is well cared for. In short, public housing will, by attracting new resources through partnerships where possible, strive for a healthier, more equitable and more sustainable future.

Two obvious partnership opportunities have emerged from the inevitable trends confronting our nation – climate change and the aging of our nation's population. These trends, in addition to rising utility costs and impaired health attributable to poor indoor air quality, require a comprehensive response. While public housing partnerships must extend far beyond "green" and "gray" to succeed in this framework, they are expounded upon here as initial strategies that will lead to immediate opportunities. Through these strategies, public housing can attract the expertise and resources of impacted outside parties to create mutually beneficial partnerships.

Seniors. Projections forecast that by 2030, approximately 71.5 million people will be 65 and older, representing nearly 20 percent of the total U.S. population. Meanwhile, one-third of public housing households are headed by a senior. Research has indicated that seniors prefer to remain within the community as their frailty levels and service needs increase. Most elderly residents in public housing prefer to age in non-institutional settings. Public housing will address this issue by incorporating the social and physical needs of seniors into its modernization plans and by looking for opportunities to enter partnerships with organizations that will create resident support programs for the elderly to enable them to age in their communities. Such programs would align the public housing strategy with other federal initiatives (e.g., the Deficit Reduction Act and Administration on Aging) that are working to provide affordable community based living alternatives to prevent premature institutionalization. This would create natural partnerships with service providers to coordinate aging in place supports, including, but not limited to, social activities, meals, homemaker services, some health related services, and transportation. In addition, public housing will create "gray-collar" jobs by training residents as home health assistants, chore-workers and other health care professionals to assist seniors. With their high level of expertise and interest in serving the elderly, AAHSA, NCB Capital Impact, AARP, National Association of Area Agencies on Aging, NASUA, Administration on Aging, National Council on Aging and other organizations would make excellent partners.

Green. Green is integral to a public housing reinvestment strategy. As public housing agencies address their backlog of repairs and prepare to construct new homes, they must integrate green methods and materials to achieve lower operating expenses, healthy living environments and resource conservation. Doing so will create a measurably enhanced environment for residents through energy efficiency, water conservation and healthy indoor air quality while cutting greenhouse gas emissions and reducing annual utility costs estimated at approximately $1.7 billion annually. Healthy, long-lasting building materials can dramatically reduce costs, while creating safer working conditions for construction and maintenance personnel, and safer living conditions for residents. A 2005 New Ecology, Inc. and the Green CDC's Initiative study entitled "The Costs and Benefits of Green Affordable Housing" revealed that the first cost premium for green building was 2.4% of the total development cost, and Enterprise Community Partners' preliminary cost data from a study of 50 affordable housing developments indicate that the Green Communities Criteria met by these developments only increased development costs by 2 - 4% while resulting in expected savings of 20 - 30%. This cost-effective, benefits rich reinvestment strategy is also a critical link towards creating a market for education initiatives and to support "green-collar" jobs for public housing residents and disadvantaged small businesses. The ability to apply green methods and materials on such a massive scale makes public housing an attractive platform for promoting innovative financing mechanisms such as the voluntary carbon market in which green public housing would possess valuable offsets. Organizations such as Enterprise Community Partners and the U.S. Green Building Council are natural partners who can provide expertise in critical areas such as green building, advocacy, and raising capital, as appropriate to each partner organization.

3. **Institutional Reform**: As a foundation for the reinvestment and partnership strategies, reform and rationalize the public housing regulatory structure to make the fundamental changes necessary to operate in the new paradigm, including:
    - Reliable and adequate operating subsidies to support the public housing reinvestment strategy.
    - Mutual HUD, PHA, and resident accountability and transparency.
    - HUD reorganization to support reinvestment and partnership goals.

PHAs and residents have a shared interest in assuring that the public housing regulatory structure protects residents. PHAs also need access to the resources and tools needed to preserve and operate public housing. The purpose of regulation should be to promote these shared interests and to assure accountability in the use of federal financial resources. Some aspects of the current regulatory structure divert PHA resources from sound property management, resident service coordination, addressing properties' modernization needs, implementing energy-efficiency improvements, and performing upgrades. As such, the present regulatory regime does residents a disservice and is a source of frustration for owners.

HUD's oversight structure also does a disservice to residents and owners. The Agency's focus on process compliance; lack of consistent, clear communication with stakeholders, including not only PHAs and residents but also its own field staff; and the cacophony of sometimes duplicative regulatory and administrative requirements combine to distract PHAs from a focus on their primary and most solemn responsibility: the provision of decent, safe, and sanitary housing.

Fundamental institutional reform is essential to support the proactive transformation of public housing. To protect tenants while augmenting the ability of PHAs to address local housing needs, this reform should embody the following interdependent principles:

- PHA operating subsidy must be adequate, predictable, and reliable.
- HUD should be reorganized to support investment in public housing.
- PHAs should be encouraged to enter into partnerships with those who share a commitment to the well-being of public housing residents, such as service providers.

- PHAs should be assessed for their performance as housing providers, using objective measures to the extent feasible.
- HUD and PHAs should follow transparent procedures to assure that tenants remain informed and should continue to provide residents with a reasonable opportunity to participate in the decision-making process.
- Regulation should not be disproportionate to the resources provided for operating public housing.

III. Conclusion

These days, no one would doubt the importance of housing to the health of our national economy, or to a family budget. This belief is also embedded in our political and tax systems through policies we take for granted, such as the mortgage interest deduction. The federal government has recently taken extraordinary actions to prevent the collapse of many financial institutions. The phrase "Too Big to Fail" has been used to justify such interventions, meaning that the failure of some institutions would be so disruptive and harmful to the nation that the government must prevent it. Without passing judgment on the wisdom or necessity of those actions, we contend that public housing, also, is too big and far too important to the health of our nation, to fail. Therefore, we have proposed our strategy for the Future of Public Housing.

STAFF REPORTS

Statement of Revenues, Expenses, and Changes in Net Assets
Comparison of Budget and Actual
Property Code HAP5All Board Grouping
For the period of F09-September(2008)

HOUSING AUTHORITY OF PORTLAND

	YTD Actual	YTD Budget	$ Variance	% Variance	Annual Budget
Operating Revenues					
Dwelling Rental	$ 5,380,180	$ 5,385,032	$ (4,852)	-0.1%	$ 10,800,421
Non-dwelling Rental	520,541	622,381	(101,840)	-16.4%	1,242,522
Total Rental Revenues	5,900,721	6,007,414	(106,692)	-1.8%	12,042,943
HUD Subsidies -Housing Assistance	31,519,748	29,308,159	2,211,589	7.6%	58,631,143
HUD Subsidies -Public Housing	4,406,269	4,167,142	239,128	5.7%	8,334,283
HUD Grants	2,727,433	2,573,764	153,669	6.0%	5,099,426
Development Fee Revenue, Net	455,412	946,600	(491,188)	-51.9%	1,086,600
State, Local & Other Grants	1,291,091	1,163,013	128,078	11.0%	2,306,026
Other Revenue	1,441,896	1,449,467	(7,571)	-0.5%	2,897,211
Total Operating Revenues	47,742,571	45,615,558	2,127,013	4.7%	90,397,632
Operating Expenses					
PH Subsidy Transfer	443,873	470,561	26,688	5.7%	941,122
Housing Assistance Payments	28,075,581	27,303,743	(771,838)	-2.8%	54,607,485
Administrative Personnel Expense	6,411,037	6,585,968	174,931	2.7%	13,324,797
Other Admin Expenses	2,559,698	2,728,810	169,112	6.2%	5,057,093
Fees/overhead charged	-	-	-	0.0%	-
Tenant Svcs Personnel Expense	870,255	783,601	(86,654)	-11.1%	1,589,476
Other Tenant Svcs Expenses	853,189	961,298	108,108	11.3%	1,756,673
Maintenance Personnel Expense	2,158,752	1,966,566	(192,185)	-9.8%	3,993,239
Other Maintenance Expenses	2,238,700	2,283,053	44,353	1.9%	4,067,782
Utilities	1,704,441	1,774,891	70,451	4.0%	3,568,683
Capitalized Labor	(123,061)	(117,407)	5,654	-4.8%	(234,814)
Depreciation	2,256,578	2,314,503	57,925	2.5%	4,663,798
General	491,805	438,617	(53,188)	87.9%	878,053
Impairment Charge	-	-	-	0.0%	-
Total Operating Expenses	47,940,848	47,494,203	(446,645)	-0.9%	94,213,389
Operating Income (Loss)	(198,277)	(1,878,646)	1,680,368	-89.4%	(3,815,757)
Other Income (Expense)					
Investment Income	420,281	375,760	44,521	11.9%	904,932
Interest Expense	(1,856,447)	(1,872,246)	15,799	-0.8%	(3,427,229)
Chg in Derivative Contract Value	327,444	-	327,444	0.0%	-
Amortization	(38,899)	(15,536)	(23,363)	150.4%	(31,071)
Investment in Partnership Valuation Charge	-	-	-	0.0%	-
Gain (Loss) on Sale of Assets	5,807,627	2,132,000	3,675,627	172.4%	3,944,200
Net Other Income (Expense)	4,660,006	619,978	4,040,029	651.6%	1,390,832
Capital Contributions					
HUD Nonoperating Contributions	5,064,206	8,208,154	(3,143,948)	-38.3%	9,466,212
Other Nonoperating Contributions	270,033	-	270,033	0.0%	-
Nonoperating contributions made	-	-	-	0.0%	-
Net Capital Contributions	5,334,239	8,208,154	(2,873,915)	-35.0%	9,466,212
INCREASE (DECREASE) IN NET ASSETS	$ 9,795,968	6,949,486	$ 2,846,482	41.0%	7,041,287

PERFORMANCE SUMMARY

- The six months ending September 30, 2008 produced a $0.2 million operating loss. However this was $1.7million less than expected for the six months
- Total Net assets increased by $9.8 million, favorable to budget by $2.8 million

HOUSING AUTHORITY OF PORTLAND

Operating Revenue

For the period of F09-September(2008)

	YTD Actual	YTD Budget	$ Variance	% Variance	Annual Budget
Operating Revenues					
Dwelling Rental	$ 5,380,180	$ 5,385,032	$ (4,852)	-0.09%	$ 10,800,421
Non-dwelling Rental	520,541	622,381	(101,840)	-16.36%	1,242,522
Total Rental Revenues	5,900,721	6,007,414	(106,692)	-1.78%	12,042,943
HUD Subsidies -Housing Assistance	31,519,748	29,308,159	2,211,589	7.55%	58,631,143
HUD Subsidies -Public Housing	4,406,269	4,167,142	239,128	5.74%	8,334,283
HUD Grants	2,727,433	2,573,764	153,669	5.97%	5,099,426
Development Fee Revenue, Net	455,412	946,600	(491,188)	-51.89%	1,086,600
State, Local & Other Grants	1,291,091	1,163,013	128,078	11.01%	2,306,026
Other Revenue	1,441,896	1,449,467	(7,571)	-0.52%	2,897,211
Total Operating Revenues	$ 47,742,571	$ 45,615,558	$ 2,127,013	4.66%	$ 90,397,632

REVENUE ANALYSIS

- Total Revenues of $47.7 million were $2.1 million favorable to budget for the first six months of FY 2009
  - Non-dwelling Rental Revenue was $0.1 million unfavorable to budget due to the true-up of cell tower revenue booked in September as well as less than expected revenues at the Grove and Cambridge Court
  - Housing Assistance Subsidy of $31.5 million was $2.2 million higher than budget. In spite of being fully leased, increased HUD Subsidy has resulted in per voucher funding of $572 versus the budgeted amount of $544 per voucher. In addition, the agency has received 158 relocation vouchers from the disposition of scattered sites along with 70 vouchers for veterans' assistance that were not included in the budget. Lastly, admin fees were $0.2 million above plan
  - Public Housing Subsidy was $0.2 million favorable to budget due to actual proration received of 88.96% compared to budgeted proration of 83.4% offset by a reduction in subsidy for utility allowances
  - Development Fee Revenue was $0.5 million unfavorable to budget. Anticipated fee revenue of $0.4 million associated with the Grove Hotel cannot be recognized until the sale of this property to PDC is completed

HOUSING AUTHORITY OF PORTLAND

Operating Expense

For the period of F09-September(2008)

Operating Expenses	YTD Actual	YTD Budget	$ Variance	% Variance	Annual Budget
PH Subsidy Transfer	$ 443,873	$ 470,561	$ 26,688	5.67%	$ 941,122
Housing Assistance Payments	28,075,581	27,303,743	(771,838)	-2.83%	54,607,485
Administrative Personnel Expense	6,411,037	6,585,968	174,931	2.66%	13,324,797
Other Admin Expenses	2,559,698	2,728,810	169,112	6.20%	5,057,093
Fees/overhead charged	-	-	-	0.00%	-
Tenant Svcs Personnel Expense	870,255	783,601	(86,654)	-11.06%	1,589,476
Other Tenant Svcs Expenses	853,189	961,298	108,108	11.25%	1,756,673
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Other Maintenance Expenses	2,238,700	2,283,053	44,353	1.94%	4,067,782
Utilities	1,704,441	1,774,891	70,451	3.97%	3,568,683
Depreciation	2,256,578	2,314,503	57,925	2.50%	4,663,798
General	491,805	438,617	(53,188)	87.87%	878,053
Impairment Charge	-	-	-	0.00%	-
Total Operating Expenses	47,940,848	47,494,203	(446,645)	-0.94%	94,213,389
Operating Income (Loss)	(198,277)	(1,878,646)	1,680,368	-89.45%	(3,815,757)

EXPENSE ANALYSIS

- Operating Expense of $47.9 million was over budget by $0.4 million resulting from:
  - Housing Assistance Payments in excess of budget by $0.8 million due to payment of 210 more vouchers than budgeted. In addition, our per voucher cost is $6.24 greater than budget
  - Administrative personnel expense was $0.2 million favorable to budget due to position vacancies pending hiring
  - Other Administrative expenses were under budget by $0.2 million primarily driven by timing of expenses for consultants, other professional services and training
  - Other Tenant Services Expenses in total were $0.1 million less than budget due to timing of grant related expenses and conversion of a contract with Catholic Charities to HAP employee position for OHI at Fairview such that actual expenses will be in Tenant Service Personnel expense rather than Other Tenant Service Expense
  - Maintenance Personnel Expense was $0.2 million unfavorable to budget due a one time, unbudgeted payment made upon settlement of the Trades negotiations as well as temporary labor brought in for summer maintenance projects

HOUSING AUTHORITY OF PORTLAND

Other Income/Expense

For the period of F09-September(2008)

	YTD Actual	YTD Budget	$ Variance	% Variance	Annual Budget
Other Income (Expense)					
Investment Income	$ 420,281	$ 375,760	$ 44,521	11.85%	$ 904,932
Interest Expense	(1,856,447)	(1,872,246)	15,799	-0.84%	(3,427,229)
Chg in Derivative Contract Value	327,444	-	327,444	0.00%	-
Amortization	(38,899)	(15,536)	(23,363)	150.38%	(31,071)
Investment in Partnership Valuation Charge	-	-	-	0.00%	-
Gain (Loss) on Sale of Assets	5,807,627	2,132,000	3,675,627	172.40%	3,944,200
Net Other Income (Expense)	4,660,006	619,978	4,040,029	651.64%	1,390,832
Capital Contributions					
HUD Nonoperating Contributions	5,064,206	8,208,154	(3,143,948)	-38.30%	9,466,212
Other Nonoperating Contributions	270,033	-	270,033	0.00%	-
Nonoperating contributions made	-	-	-	0.00%	-
Net Capital Contributions	5,334,239	8,208,154	(2,873,915)	-35.01%	9,466,212
INCREASE (DECREASE) IN NET ASSETS	$ 9,795,968	$ 6,949,486	$ 2,846,482	40.96%	$ 7,041,287

OTHER INCOME/(EXPENSE) ANALYSIS

- Other Income (expense) was $4.7 million, and favorable to budget by $4 million
  - Unbudgeted Changes in Derivative Contract Values of $0.3 million was due to non-cash valuation changes in interest rate swaps for Trouton & Cecelia
  - Gain on Sale of Assets of $5.8 million, favorable to budget by $3.7 million, resulted from the sale of 30 properties compared to the budgeted sale of 20 properties as well as a higher than budgeted average gain per sale
- Capital Contributions of $5.3 million were $2.9 million less than budget due to timing of eligible expenses for HUD Contributions
  - HUD Non-operating Contributions of $5.1 million consist $3.4 million of HOPE VI funds received for Humboldt Gardens and Capital Fund grants of $1.7 million
  - Other Non-operating Contributions of $0.3 million include funds from the City of Portland for Humboldt Gardens for approx $80k that, at the time of the budget, were anticipated to be received in the previous fiscal year, approx $170k in PDC contributions in support of the pre-development costs related to the Resource Access Center, and $20k from Transition Projects for the Clark Center

HOUSING AUTHORITY OF PORTLAND

Statement of Net Assets

	September 30, 2008	March 31, 2008	Incr (Decr)
Assets			
Current Assets			
Cash and Cash Equivalents	$ 20,061,308	$ 10,905,476	$ 9,155,832
Investments	1,748,187	3,318,173	(1,569,986)
Accounts Receivable, Net	6,055,312	5,376,384	678,928
Intra Agency Accounts Receivable	(3,279)	0	(3,279)
Prepaid Expenses	647,344	702,769	(55,424)
Inventories	0	0	-
Current Portion of Notes Receivable-Partnerships	19,422,702	19,422,702	0
	47,931,574	39,725,505	8,206,070
Restricted Assets			
Family Self-Sufficiency Funds -A	1,075,292	1,336,955	(261,663)
Tenant Security Deposits -A	749,914	812,331	(62,417)
Construction Funds Escrow	10,862	10,798	64
Residual Receipts Reserve	116,603	139,907	(23,305)
Funds held in Trust	2,821,489	2,691,900	129,590
Debt Amortization Fund	3,190,911	2,795,518	395,393
	7,965,071	7,787,409	177,662
Noncurrent Assets			
Due from Partnerships	12,674,028	14,897,472	(2,223,444)
Notes Receivable	62,362,685	56,431,720	5,930,965
Notes Receivable -Partnerships	79,236,743	79,236,743	-
Notes Receivable -Conduit Financing	5,140,000	5,140,000	-
Deferred Charges, Net	1,336,962	1,978,429	(641,467)
Investment in Partnerships	3,401,670	3,401,670	-
Land, Structures, Equipment, Net	114,958,420	114,929,270	29,150
	279,110,507	276,015,305	3,095,203
TOTAL ASSETS	**$ 335,007,153**	**$ 323,528,218**	**$ 11,478,935**

CHANGE IN ASSETS

- Total Assets of $335 million increased $11.5 million from March 31, 2008
- Current Assets increased $8.2 million to $47.9 million
  - This increase was primarily due to an increase in Cash & Cash Equivalents resulting from scattered site sale proceeds and the maturing of term investments which were retained as cash equivalents
- Noncurrent Assets increased $3.1 million to $279.1 million
  - Due from Partnerships declined $2.2 million from $600k received from Humboldt Gardens and $1.5 million from the Woolsey Limited Partnership. Both of these amounts were repayments to HAP for temporary construction advances
  - Notes Receivable increased $5.9 million due to Humboldt Gardens funding, consisting of $ 4.8 million for HOPE VI funds and $1.1 million from other sources
  - Deferred Charges – Net declined $0.6 million due to amortization of the interest differential from the defeasance of Pooled Bond, activity ends 1/1/09

Statement of Net Assets

HOUSING AUTHORITY OF PORTLAND

	September 30, 2008	March 31, 2008	Incr (Decr)
Liabilities			
Current Liabilities			
Accounts Payable	$2,620,016	$ 2,995,718	$ (375,702)
Accrued Interest Payable	613,214	624,372	(11,159)
Other Accrued Liabilities	3,263,036	3,384,510	(121,474)
Deferred Revenue	315,987	969,451	(653,464)
Tenant Security Deposits -L	825,565	851,094	(25,529)
Family Self-Sufficiency Funds -L	1,419,680	1,387,825	31,855
Line of Credit	0	0	-
Current Portion of Bonds Payable -Partnerships	19,422,702	19,422,702	-
Current Portion of Notes & Bonds Payable	3,469,627	3,469,627	-
	31,949,827	33,105,300	(1,155,472)
Noncurrent Liabilities			
Notes Payable	37,292,992	33,567,812	3,725,181
Bonds Payable	19,944,334	20,859,359	(915,025)
Bonds Payable -Partnerships	79,236,743	79,236,743	-
Bonds Payable -Conduit Financing	5,140,000	5,140,000	-
Other Liabilities	272,029	243,746	28,283
	141,886,099	139,047,660	2,838,439
Net Assets (Deficit)	161,171,227	**151,375,259**	9,795,968
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	**$ 335,007,153**	**$ 323,528,218**	**$ 11,478,935**

CHANGE IN LIABILITIES & NET ASSETS

- Current Liabilities decreased $1.1 million to $31.9 million
  - Pay down of $0.4 million in Accounts Payable resulted primarily from payment of year end accruals related to construction invoices
  - Deferred Revenue declined due to the recognition of the higher Public Housing Subsidy resulting from the increased proration amounts to be received during the remainder of the calendar year
- Noncurrent Liabilities of $141.9 million increased $2.8 million
  - Notes Payable increased $3.7 million resulting from $3.4 million in Notes Payable for funds received from PDC to purchase and rehabilitate the Grove. This note will be forgiven upon the transfer of the Grove to PDC. An additional increase of $0.4 million is due to the Cambridge Court remodel
  - Bonds Payable decreased $0.9 million due to the $0.8 million pay down of University Places bond in addition to regular scheduled payments
- Net Assets increased $9.8 million to $161.2 million

Purchasing Department		MONTHLY CONTRACT REPORT		Contracts Approved 9/1/08 -- 10/31/08	
Contractor	**Contract Amount**	**Description**	**Department**	**Execution Date**	**Expiration Date**
		PROFESSIONAL SERVICES			
Delaris, LLC	$15,000	Supportive services for computer lab for residents at New Columbia, Fairview and Humboldt Gardens.	Resident Services	10/1/2008	10/1/2009
AKS Engineering and Forestry	NTE $50,000 (over three year term)	On-Call Civil Engineering Services.	Development & Community Revitalization	10/13/2008	9/30/2011
Vigil Agrimis, Inc.	NTE $50,000 (over three year term)	On-Call Civil Engineering Services.	Development & Community Revitalization	10/17/2008	9/30/2011
George Austin Associates	$1,575	Group facilitation and conflict de-escalation training.	Resident Services	10/21/2008	2/1/2009
G&L Janitorial	$54,400	Janitorial services for New Market West building.	REO	9/3/2008	8/31/2009
URS Corporation	$1,960	Prepare fair cost estimate for Phase 1 A&E Hillsdale Terrace.	Development & Community Revitalization	9/4/2008	7/1/2008
MicroSkill, Inc.	$4,500	Excel 2003 training for HAP Finance & Accounting/staff.	Human Resources	9/4/2008	8/19/2009
Interface Engineering	NTE $90,000 9/1/08 thru 3/31/2011	On-call low voltage electrical wiring and engineering.	Development & Community Revitalization	9/10/2008	8/31/2011
Dana Wedel	$4,000	Literacy program at the Plaza Townhomes.	Resident Services	9/10/2008	6/30/2009
Elizabeth Normand	NTE $99,999 annually	Grievaance Hearings Officer 2008 IRFP 07/08-45	Executive	9/11/2008	8/31/2012
Dena Marshall	NTE $99,999 annually	Grievaance Hearings Officer 2008 IRFP 07/08-45	Executive	9/11/2008	8/31/2012
Avalution Consulting, Inc.	$25,000	Provide business continuity consulting services.	Finance & Accounting	9/17/2008	9/14/2009
TsaiComms	$2,000	Diversity training: understanding Asians.	Human Resources	9/29/2008	7/25/2009
PNRC Chapter of NAHRO	$7,000	Planning, coordinating, scheduling and providing sessions for NAHRO conference in Portland, OR July 2009.	REO	9/23/2008	9/31/09
		INTERGOVERNMENTAL AGREEMENT -- REVENUE			
City of Portland Bureau of Housing & Community Development	$196,350	Administration of Ready to Rent and Fresh Start Programs and Fresh Start Landlord Guarantee funds.	Rent Assistance	9/24/2008	6/30/2009

Contractor	Contract Amount	Description	Department	Execution Date	Expiration Date
PUBLIC IMPROVEMENTS/CONSTRUCTION					
B & R Installation, LLP	$21,207	Installation of playground equipment at Hillsdale Terrace.	Development & Community Revitalization	10/27/2008	12/31/2008
Global Technology Solutions	$1,742	Single door access at Maple Mallory Apartments	Development & Community Revitalization	10/3/2008	12/31/2008
Arrow Roofing & Sheet Metal	$33,500	Reroof at Shrunk Riverview Tower		10/7/2008	1/18/2008
FX Repair & Remodeling	$30,000	Maple Mallory Miscellaneous repair including masonry and roof repair.	Development & Community Revitalization	9/29/2008	12/31/2008
Pacific NW Floor Coverings	$15,987	Repair damaged floors at Eliot Square.	REO	9/23/2008	8/26/2009
GOODS / SUPPLIES					
Oce' North America Document Printing Systems	$414 Annually	Copier/printer/scanner for Slavin Court staff; $34 per month for 39 months	REO	10/23/2008	1/1/2012
IKON Office Solutions	$3,084 annually	Copier/printer/scanner for Hollywood East staff; $257 per month for 48 months.	Resident Services and REO Core Management	9/8/2008	8/31/2012
IKON Office Solutions	$357 annually	Copier/printer/scanner for Dekum Court Site Office; $30 per month for 48 months.	REO	9/23/2008	9/30/2012
SERVICES					
Pacific Telecom Services (PTS), LLC	Revenue Agreement; tbd	Management contract for antenna site management; RFP 02/08-33	REO	9/4/2008	7/31/2009
State of Oregon cooperative agreement with Azumano Travel Services	NTE $15,000 annually	Access to state of Oregon pricing and account set-up with Azumano Travel, Inc.	Purchasing	9/4/2008	8/31/2011
AMENDMENTS TO EXISTING CONTRACTS					
William Wilson Architects	$87,736	Civil engineering, shoring design, food service equipment estimate and design for University Place A&E	Development & Community Revitalization	10/10/2008	3/1/2010
Walsh Construction, Inc.	$0	Change in conditions regarding differing site conditions or proposal request.	Development & Community Revitalization	10/7/2008	7/22/2008
RichArt Family, Inc.	$50,285	Change Order #2 for Cambridge Court Apartments add 15 work items; deduct 1 (adds handrails, wiring, flooring, modification to windows, doors, etc.)	Development & Community Revitalization	10/17/2008	11/11/2008
LifeWorks NW	$219,000	Community-based prevention -- after school programs for five HAP public housing properties and three affordable properties.	Resident Services	9/8/2008	6/30/2009

DASHBOARD REPORT

Property Performance Measures

Occupancy

	Number of Properties	Physical Units	Rentable Units	Vacant Units	Occupancy Percentage	Unit Mix: Studio/SRO	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5+ Bdrm	Total
Public Housing	44	2,163	2,037	34	98.3%	513	848	363	418	21	0	2,163
Public Housing Mixed Financed Owned *	1	40	40	0	100.0%	0	15	15	10	0	0	40
Public Housing Mixed Finance Tax Credit *	5	396	425	10	97.6%	0	142	126	76	46	6	396
Total Public Housing	50	2,599	2,502	44	98.2%	513	1,005	504	504	67	6	2,599
Affordable Owned with PBA subsidy	6	496	496	15	97.0%	72	229	104	91	0	0	496
Affordable Owned without PBA subsidy	9	871	871	57	93.5%	15	260	448	133	15	0	871
Total Affordable Owned Housing	15	1,367	1,367	72	94.7%	87	489	552	224	15	0	1,367
Tax Credit Partnerships	21	2,432	2,432	91	96.3%	890	658	492	230	145	17	2,432
Total Affordable Housing	36	3,799	3,799	163	95.7%	977	1,147	1,044	454	160	17	3,799
Eliminate Duplicated PH Properties/Units	-6	-436	-465	-10		0	-157	-141	-86	-46	-6	-436
Combined Total PH and AH	80	5,962	5,836	197	96.6%	1,490	1,995	1,407	872	181	17	5,962
Special Needs (Master Leased)	36	422	422									
Total with Special Needs	116	6,384	6,258									

* property/unit counts also included in Affordable Housing Count

Financial

Three months ending 6/30/2008	Per Unit Per Month: Property Revenue	Subsidy Revenue	Total Revenue	Operating Expense w/o HMF	HAP Management Fees (HMF)	NOI	Fiscal YTD ending 6/30/2008: # of Properties/units Positive Net Operating Income (NOI): Properties	Units	# of Properties/units Negative Net Operating Income (NOI): Properties	Units	06/30/08: # of Properties meeting Debt Coverage Ratio (DCR)	# of Properties not meeting DCR	# of Properties DCR Not Applicable
Public Housing	$199.47	$243.59	$443.05	$366.51	$70.34	$6.21	20	1,398	24	765			
Affordable Owned	$513.11	$188.41	$701.52	$377.67	$53.92	$269.93	15	1,367	0		8	4	3
Tax Credit Partnerships	$512.58	$28.56	$541.14	$351.55	$9.54	$180.05	19	2,266	2	166	8	9	4

Public Housing Demographics

	Households: # of Households	% of Households	Average Family Size	Average Unit Size	% Family Type (head of household): Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Race % (head of household): Black African American	White	Native American	Asian	Hawaiian/ Pacific Islnd	Ethnicity % (hoh): Hispanic/ Latino	Non His-Panic/Latino
Public Housing Residents															
0 to 10% MFI	461	20.1%	2.2	1.8	10.0%	10.1%	0.8%	5.4%	5.6%	13.2%	0.7%	0.4%	0.5%	4.4%	15.7%
11 to 20%	1,003	43.7%	1.6	1.4	33.7%	10.0%	11.8%	23.1%	8.7%	31.9%	1.5%	2.0%	0.3%	3.4%	40.3%
21 to 30%	485	21.1%	1.9	1.5	14.8%	6.4%	6.2%	9.4%	4.1%	15.5%	0.7%	0.8%	0.2%	2.7%	18.4%
31 to 50%	267	11.6%	2.4	1.9	5.7%	5.9%	2.2%	3.5%	2.6%	8.1%	0.4%	0.6%	0.1%	1.7%	10.0%
51 to 80%	71	3.1%	2.9	2.1	1.3%	1.7%	0.3%	0.7%	1.3%	1.6%	0.0%	0.1%	0.1%	0.5%	2.6%
Over 80%	12	0.5%	2.1	1.5	0.3%	0.2%	0.2%	0.0%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.5%
All	2,299	100.1%	1.9	1.6	65.8%	34.3%	21.5%	42.1%	22.5%	70.6%	3.4%	3.9%	1.1%	12.6%	87.5%
Waiting List															
0 to 10% MFI	1,721	53.4%	2.3	1.8			1.3%	18.4%	19.8%	28.8%	3.2%	1.2%	0.9%	5.8%	45.4%
11 to 20%	889	27.6%	2.5	1.9			1.5%	11.2%	10.2%	14.9%	1.6%	0.7%	0.6%	2.3%	24.8%
21 to 30%	341	10.6%	2.6	1.9			0.7%	3.5%	3.7%	6.0%	0.3%	0.5%	0.1%	1.3%	8.9%
31 to 50%	225	7.0%	2.7	2.1			0.6%	1.7%	2.6%	3.6%	0.3%	0.3%	0.1%	0.9%	5.8%
51 to 80%	40	1.2%	3.3	2.5			0.1%	0.2%	0.5%	0.7%	0.1%	0.1%	0.0%	0.1%	1.1%
Over 80%	4	0.1%	4.3	3.3			0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
All	3,220	100.0%	2.5	1.9			4.2%	35.0%	36.7%	54.1%	5.5%	2.8%	1.6%	10.5%	86.1%

Other Activity

	#'s,days,hrs
Public Housing	
Names pulled from Wait List	48
Denials	8
New rentals	27
Vacates	41
Evictions	3
# of work orders received	1,154
# of work orders completed	1,036
Average days to respond	7.8
# of work orders emergency	3
Average response hrs (emergency)	6

Rent Assistance Performance Measures

Utilization and Activity

	Current Month Status						Current Month Activity				Calendar Year To Date				
	Vouchers Available	Vouchers Paid	Utilization Percentage	Average Voucher Cost	HUD Subsidy Over(Under) Utilized	Remaining Waiting List Size	Waiting List Names Pulled	New Vouchers Leased	Vouchers Terminated	Voucher Inspections Completed	Utilization Percentage	Average Voucher Cost	HUD Subsidy Over(Under) Utilized	New Vouchers Leased	Vouchers Terminated
Tenant Based Vouchers	6,583	6,900	105%	$565	$130,023	643	2	73	67	658	102%	$558	$361,388	900	449
Project Based Vouchers	1,061	938	88%	$454	-$181,293			18	7	172	90%	$459	-$1,396,151	180	129
SRO/Mod Vouchers	562	485	86%	$344				2	14	51	93%	$343	$12,495	97	148
All Vouchers	8,206	8,323	101%	$539	-$51,270			93	88	881	100%	$533	-$1,022,268	1177	726

Demographics

	Households				% Family Type (head of household)				Race % (head of household)					Ethnicity % (hoh)	
Tenant Based Voucher Participants	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black	White	Native American	Asian	Hawaiian/ Pacific Islnd	Hispanic	Non Hispanic
0 to 10% MFI	1,141	16.9%	2.2	2.1	7.2%	9.7%	0.2%	1.0%	7.9%	8.2%	0.8%	0.5%	0.2%	1.1%	15.8%
11 to 20%	2,700	40.0%	2.0	1.9	24.6%	15.4%	7.7%	17.8%	13.1%	24.0%	1.1%	2.5%	0.1%	2.1%	37.8%
21 to 30%	1,528	22.6%	2.4	2.1	11.8%	10.9%	5.9%	7.7%	6.9%	13.8%	0.5%	1.6%	0.1%	1.2%	21.5%
31 to 50%	1,192	17.6%	3.0	2.5	5.4%	12.2%	2.3%	3.4%	6.9%	9.5%	0.5%	1.0%	0.1%	1.1%	16.6%
51 to 80%	181	2.7%	3.3	2.8	0.5%	2.2%	0.2%	0.4%	1.3%	1.1%	0.1%	0.2%	0.0%	0.1%	2.6%
Over 80%	12	0.2%	4.5	3.4	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
All	6,754	100.0%	2.4	2.1	49.5%	50.5%	16.3%	30.2%	36.2%	56.6%	2.9%	5.8%	0.5%	5.5%	94.5%
Waiting List															
0 to 10% MFI	289	44.9%	1.8				1.2%	15.6%	16.6%	23.8%	3.6%	1.1%	0.6%	2.3%	37.2%
11 to 20%	157	24.4%	2.1				2.6%	11.2%	7.3%	13.2%	1.2%	1.9%	0.5%	2.2%	19.9%
21 to 30%	101	15.7%	2.0				1.9%	5.4%	5.4%	8.6%	0.5%	0.8%	0.0%	1.7%	11.5%
31 to 50%	91	14.2%	2.3				1.4%	3.0%	3.9%	9.2%	0.5%	0.3%	0.0%	2.2%	10.6%
51 to 80%	5	0.8%	1.8				0.2%	0.2%	0.3%	0.3%	0.0%	0.0%	0.2%	0.5%	0.3%
Over 80%															
All	643	100.0%	2.0				7.3%	35.3%	33.6%	55.1%	5.8%	4.0%	1.2%	8.9%	79.5%

Short Term Rent Assistance

	# of Households Participating	$ Amount of Assistance Provided	Average Cost per Household
Shelter Plus Care	438	$221,032	$505
Short Term Rent Assistance	269	$134,594	$500

Resident Services

Resident Programs

	Housing Program Served	Households Served/ Participants	Monthly Funding Amount	Average Funds per Participant
Congregate Housing Services	Public Housing	87	-$32,743	-$376

		# HH Stabilized	# HH Transitioned	# Mental/Physical Health Stabilized
Resident Services Coordination	Public Housing	2	1	3

		# HH Enrolled	# in Self Sufficiency	# In GOALS
Community Supportive Services	Public Housing	155	71	3
	Section 8	39	20	1

Agency Financial Summary

Three months ending 6/30/2008	Fiscal Year to Date	Prior YTD	Increase (Decrease)
Subsidy Revenue	$16,981,194	$15,321,001	$1,660,192
Grant Revenue	$1,752,407	$1,562,423	$189,984
Property Related Income	$3,262,824	$3,744,878	($482,054)
Development Fee Revenue	$556,192	$1,143,166	($586,974)
Other Revenue	$513,051	$500,073	$12,978
Total Revenue	$23,065,667	$22,271,541	$794,126
Housing Assistance Payments	$13,906,121	$12,589,138	$1,316,982
Operating Expense	$8,563,075	$8,002,457	$560,618
Depreciation	$1,122,809	$1,109,235	$13,574
Total Expense	$23,592,004	$21,700,830	$1,891,174
Operating Income	-$526,337	$570,711	($1,097,048)
Other Income(Expense)	$2,285,492	$166,490	$2,119,002
Capital Contributions	$4,256,202	$2,772,361	$1,483,841
Increase(Decrease) Net Assets	$6,015,357	$3,509,562	$2,505,795
Total Assets	$332,382,704	$323,528,218	$8,854,486
Liquidity Reserves	$18,500,833	$12,733,522	$5,767,312

Development/Community Revitalization

New Development / Revitalization	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Humboldt Gardens	130	Apr-07	Aug-08	Complete	$40,484,042	$311,416
Pine Square	143	tbd	tbd	Predevelopment	$13,800,000	$96,504
Rockwood Station	195	tbd	tbd	Predevelopment	$26,000	$133
University Place	48	Apr-09	Apr-10	Predevelopment	$7,915,500	$164,906
Multnomah Village Lots	tbd	tbd	tbd	Concept	tbd	tbd
The Grove Hotel	70	Feb-08	Aug-08	Construction	$3,800,000	$54,286
The Resource Access Center	156	tbd	tbd	Predevelopment	tbd	tbd
Hillsdale Terrace	tbd	tbd	tbd	Concept	tbd	tbd
Martha Washington	80	tbd	tbd	Concept	$16,600,000	$207,500
The Jeffrey	80	tbd	tbd	Concept	tbd	tbd
Capital Improvement						
Slavin Court Renovation	24	Apr-08	Jan-09	Construction	$1,999,101	$83,296
Cambridge Court	20	Jul-08	Nov-08	Construction	$1,322,000	$66,100
Dahlke Manor	115	Jul-08	Nov-08	Construction	$1,161,712	$10,102

Pending Sales	Units	Listing Price
PH Scattered Sites	10	$2,217,400

RESOLUTIONS

MEMORANDUM

SUBJECT: **RESOLUTION 08-11-01 ADOPTING REVISIONS TO THE SECTION 8 ADMINISTRATIVE PLAN WHICH GOVERNS THE POLICIES AND PROCEDURES OF THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

TO: **BOARD OF COMMISSIONERS**

FROM:	**STEVEN D. RUDMAN**	**503.802.8455**	**stever@hapdx.org**
	Contact: Jill Riddle	**503.802.8565**	**jillr@hapdx.org**

DATE: **November 12, 2008**

BACKGROUND:
Federal regulations require housing authorities to prepare an Administrative Plan, which governs and outlines the policies and procedures of the Housing Authority in regards to the Section 8 Housing Choice Voucher program. HAP has thoroughly reviewed policies and procedures and updated them to ensure they are accurately reflected in this amended plan. HAP has flexibility under Moving to Work authority to establish policies outside of certain HUD regulations. In cases where HAP has used their MTW authority we have identified the HAP policy as authorized under MTW within the plan.

COMMUNITY OUTREACH / EFFORTS REGARDING THE ADMINISTRATIVE PLAN:
A summary of proposed revisions was included in the September 2008 Board Packet and was distributed to partners and published online via the HAP web page. This summary addressed all proposed changes to the plan above and beyond re-formatting and layout changes. The proposed changes were also presented to the community via the HCDC board meeting, a voucher participant meeting, and a meeting with owners/managers of units receiving project-based Section 8 assistance. Additional meetings will be offered prior to seeking board approval if so requested. All community input will be presented to the Board of Commissioners for their consideration. Several of the recommendations for adjustment received from HCDC, Legal Aide Services of Oregon, and Oregon Law Center were incorporated into the Administrative Plan and are listed within the proposed revisions tables attached. Also attached is a complete list of comments from Legal Aide along with HAP responses.

REASONS TO UPDATE / IMPLEMENT THE REVISED ADMINISTRATIVE PLAN:

A revision of the current Administrative Plan was undertaken for multiple reasons including: placing all current policies and procedures into a user friendly format which we purchased in the form of a template from Nan McKay and Associates; ensuring all current policies and procedures are in writing and distributed to all employees and throughout the community to promote fairness and accuracy in regards to the administration of the Section 8 voucher program. Staff has also taken the opportunity to revise policies within the Administrative Plan during this revision process. The tables of proposed revisions, which include a summary and overview of each proposed change, are included as an attachment to this resolution. With a large staff serving approximately 8,000 participants it is critical that all policies and procedures are clear and specific. Updating the Administrative Plan is critical to ensuring that staff, participants, the local community and HUD have a clear understanding of HAP policies and procedures.

RECOMMENDATION:

Staff recommends approval of Resolution 08-11-01.

RESOLUTION 08-11-01

RESOLUTION 08-11-01 AUTHORIZES ADOPTION OF THE ADMINISTRATIVE PLAN AS AMENDED WHICH GOVERNS THE POLICIES AND PROCEDURES OF HAP'S SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

WHEREAS, the HAP Board of Commissioners has adopted an Administrative Plan (the Plan) governing admission and continued participation in the Section 8 Housing Choice Voucher program; and

WHEREAS, the Plan includes the policies applicable to various situations concerning Section 8 participants; and

WHEREAS, HAP's Moving to Work contract with HUD authorizes HAP to create its own local Section 8 program, including discretion to set local policies that will encourage self sufficiency; increase local housing opportunity and reduce administrative burden; and

WHEREAS, HAP wishes to improve the current Administrative Plan by making it user friendly, ensuring all policies and procedures are included and clearly marked identifying HUD regulation and MTW policy. HAP also wishes to amend certain policies within the Administrative Plan as identified in the proposed revisions summary tables attached;

NOW, THEREFORE, BE IT RESOLVED that the HAP Board of Commissioners authorizes the Executive Director to revise the Administrative Plan as described above to include the changes listed in the proposed revisions summary tables.

Adopted: November 18, 2008 **HOUSING AUTHORITY OF PORTLAND**

____
Jeff Bachrach, Chair

Attest:

____
Steven D. Rudman, Secretary

Summary of Proposed Revisions to the Section 8 Administrative Plan

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
3-I.J	Guest total maximum stay in the assisted unit	24 CFR 5.100	A guest can remain in the assisted unit no longer than 14 consecutive days.		A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 90 cumulative calendar days during any 12-month period.
3-I.L, 6-I.B	Sole member of household absent from the assisted unit for medical reasons	24 CFR 982.312	Sole member of household may not be absent from the assisted unit for more than 4 months.		Sole member of household may be absent from the assisted unit for up to 180 consecutive days.
3-I.M	Live-in aide	24 CFR 5.403, Notice PIH 2008-20 (HA)	Currently HAP allows an additional bedroom for rotating caregivers.	HCDC expressed a concern that HAP will not approve an additional bedroom for rotating caregivers. This new policy is based on a HUD requirement. HAP recommends approval of the new policy.	Added clarification that HAP may not approve an unidentified live-in aide, and that occasional, intermittent, multiple or rotating caregivers do not meet the definition of a live-in aide. Therefore, regardless of whether these caregivers spend the night, an additional bedroom will not be approved.
3-II.C	SSN disclosure, documentation, verification and certification requirements	24 CFR 5.216, 24 CFR 5.218	The requirements are applicable for every family member age 6 or older.	HCDC expressed a general concern about this requirement. This policy is based on a new HUD requirement. HAP recommends approval of the new policy.	The requirements are applicable for all family members regardless of age.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
3-III.C	Repayment agreement enabling applicant to pay debt owed to HAP for applicants working with an agency	24 CFR 982.552	HAP may enter into a repayment agreement with the family applying for assistance and the agency. HAP will not require the family to pay the debt in full as a condition for program eligibility.		HAP will not enter into a repayment agreement with an applicant. If the debt is not paid in full, HAP will deny assistance.
3-III.G, 12-II.E	Certification of domestic violence	Pub.L.109-162, Pub.L.109-271	HAP requires certification by the victim, police **or** court record, or statement from professional from whom the victim has sought assistance.	LASO expressed a concern about this requirement as it is often difficult for victims to access specific forms of proof. LASO requested that HAP requires supporting documentation only if there is a legitimate concern about the victim's credibility and accepts any credible evidence of abuse. HAP agreed to change the language to require proof of domestic violence in addition to the victim's certification only in cases when there are concerns about the victim's credibility. HAP uses VAWA's list of acceptable sources of supporting documentation.	HAP will require certification by the victim; **and** if there are concerns about the victim's credibility, one of the following: police or court record; or a statement from professional from whom the victim has sought assistance.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
4-I.B	Waiting list applications submitted by agencies on behalf of their clients	24 CFR 982.206	Agencies may submit applications within a 30-day period.		Agencies may submit applications within the determined application period that applies to all applicants.
4-I.D	Placement on waiting list	HCV GB, p. 4-13	HAP will randomly order all applications after the application deadline has passed, then select the first 3000 applications to be placed on the waiting list.		HAP will randomly order all applications after the application deadline has passed, then select an adequate number of applications to maintain full utilization of available HCV assistance for a period of two years to be placed on the waiting list.
4-II.F	Removal from waiting list for failure to respond	24 CFR 982.204	If a family is removed from the waiting list for failure to respond, the family may request an informal review.	LASO requested that the language be changed to provide that an applicant must request consideration to be reinstated within 6 months of being removed from the waiting list, rather than within 6 month from the application date. HAP agreed to change the language as requested.	If a family is removed from the waiting list for failure to respond, there is no opportunity for an informal review. A HAP supervisor may reinstate the family if s/he determines the lack of response was due to a disability, HAP error, or to circumstances beyond the family's control. The family must contact HAP in writing within 6 months of being removed from the waiting list to be eligible for HAP's consideration to reinstate.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
5-II.E	Voucher extensions	24 CFR 982.303	HAP will approve extensions up to a total of 120 days. HAP may approve a longer extension if necessary as a reasonable accommodation for a person with disabilities.	LASO requested that HAP does not limit extensions to 180 days when needed as a reasonable accommodation. HAP does not believe it is reasonable to hold a voucher unutilized for more than 180 days. However, Chapter 2 of the proposed plan states that the types of reasonable accommodations HAP can provide include changes, exceptions, or adjustments to its policies, including providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of a family in seeking a unit. HAP recommends approval of the new policy.	HAP will approve extensions up to a total of 180 days if necessary as a reasonable accommodation for a person with disabilities. HAP will approve extensions up to a total of 120 days if necessary due to reasons beyond the family's control, as determined by HAP.
5-II.E	Notice of expiration of voucher term	HAP Policy	HAP currently does not send a notice of voucher expiration. The expiration date is listed on the voucher.		Within 15 business days after the expiration of voucher term or any extension, HAP will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
6-I.B	Income and medical expenses of members temporarily confined for medical reasons	HCV GB, p. 5-22	HAP will include or exclude both income and expenses, whichever benefits the family. Generally an individual is considered temporarily absent if he or she is expected to be absent from the assisted unit for 180 consecutive days or less.		HAP will include both income and expenses of temporarily absent member.
8-I.B	Additional local HQS requirements	24 CFR 982.401	HAP currently uses Local Code (Title 29) to supplement HQS, but specifics are not listed in current policy.		Added specific language from Title 29 to supplement HQS to clarify often vague HQS regulations, for example: requirements for smoke detectors, emergency exits, basic utilities, garbage collection.
8-II.C	Missed annual inspections	24 CFR 982.405	If a family misses the first scheduled inspection, family has to call HAP to reschedule.		If a family misses the first scheduled inspection, HAP will automatically reschedule one time.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
8-III.D	Rent reasonableness methodology	24 CFR 982.507	HAP uses a unit-to-unit comparison, by which the rent for a unit proposed for HCV assistance is directly compared to the rents for one or more unassisted units selected as comparables within the same market area. When comparable units differ from the proposed unit, HAP adjusts the rental value of comparable units to determine reasonable rent.		The rent for a unit proposed for HCV assistance will be compared to the average market rent of similar unassisted units. To determine reasonable rent, HAP will make adjustments to the average market rent to account for the features of the proposed unit that may impact market rent value, such as unit size, condition, location, amenities.
10-I.C	Briefing for participant families moving from one assisted unit to another	HAP Policy	Family is required to attend a scheduled group briefing.		Group briefing is not required. Family is required to attend a one-on-one moving meeting with case manager.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
10-I.C, 13-II.E	Payment to owner when a vacancy is unforeseen or unexpected (such as death or skip) and the owner has not received proper notice	HAP Policy (MTW)	HAP will pay the owner through the end of the move-out month.	LASO expressed a concern that HAP may try to collect from the family the amounts HAP paid to owner for the month after the move-out month. HAP agreed to amend the language to clarify that HAP does not intend to bill the family for the additional month beyond the move-out month.	If a vacancy is unforeseen or unexpected (such as death or skip) and no notice was given to the owner, HAP will pay the owner through the end of the month after the move-out month. HAP will not bill the family for the amounts paid to the owner for the month after the month the family moved out.
10-I.C	Overlap of assistance for participant families moving from one assisted unit to another	24 CFR 982.311	HAP will not allow an overlap of the last housing assistance payment for the old unit and the first assistance payment for the new unit.		HAP will allow an overlap of the last housing assistance payment for the old unit and the first assistance payment for the new unit in the same month.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
11-I.E	Regular reexaminations - increases in family share of the rent	24 CFR 982.516	The family will be notified at least 30 days in advance, even if the family caused a delay in processing and did not meet HUD-required effective dates.	LASO expressed a concern about situations when a family has a good cause for a delay or needs a reasonable accommodation and about the Oregon Landlord-Tenant Law requirement to give a 30-day notice of rent increase. Reasonable accommodation policies are discussed in Chapter 2 of the proposed plan and apply to all chapters. The effective date of the regular recertification must remain the same or earlier than the contract anniversary date. HAP is proposing to maintain the effective date in cases when a family fails to act timely rather than require the family to pay back money owed to HAP. Families are notified of pending regular recertification 120 days prior to the effective date. Families responding timely will always receive more than a 30-day notice of the change in their portion of the rent. HAP is not the landlord and is not changing the contract rent, only the family's portion. HAP recommends approval of the new policy.	If the family causes a delay in processing the regular reexamination, increases in the family share of the rent will be applied effective on the date of the regular reexamination per HUD requirement. The family forfeits the right to the 30-day notice.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
11-I.E	Regular reexaminations - decreases in family share of the rent	24 CFR 982.516	A decrease in family share of the rent will be effective on the date of the regular reexamination, even if the family caused a delay in processing and did not meet HUD-required effective dates.		If the family causes a delay in processing the regular reexamination, decreases in the family share of the rent will be applied effective in the date of the regular reexamination or on the first day of the month following completion of the reexamination processing, whichever is later.
11-II.B	Interim reexaminations for adding children	24 CFR 982.516	HAP will not conduct interim reexaminations to add children, will add children at the next regular review.	HCDC asked if this would also include adding other household members such as senior dependents. Existing policy covers this situation.	HAP will conduct interim reexaminations to add children.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
11-II.C	Zero-Income reviews	24 CFR 982.516	HAP is not currently conducting zero-income reviews. The practice has been to conduct a zero-income review by mail every 3 months as long as the family continues to report that they have no income and to conduct an interim reexamination if there is a change in income.	LASO expressed a concern that this requirement appears onerous and that there should be good cause excuse and reasonable accommodation. Current policy allows HAP to schedule quarterly reviews if any adult in the household has no determinable and/or stable income. HAP is proposing a slight change to make the policy less restrictive by requiring a quarterly review for zero-income families rather than individuals. Reasonable accommodation policies are discussed in Chapter 2 of the proposed plan and apply to all chapters. HAP recommends approval of the new policy.	If the family has reported zero income, HAP will conduct a zero-income in-office interview every 3 months as long as the family continues to report that they have no income. If there is a change in income, HAP will conduct an interim reexamination.
11-II.C	Interim increases in earned income for FSS participants	24 CFR 982.516	HAP will conduct an interim reexamination if the increase in earned income is at least $50/mo.		HAP will conduct an interim reexamination if the increase in earned income is at least $100/mo.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
11-II.C	Interim reexaminations during the search period of the voucher	24 CFR 982.516	HAP will not conduct interim reexaminations during the search period of the voucher.	HAP updated the proposed language to clarify that the new policy will only apply to families initially leasing up in HAP's jurisdiction.	HAP will conduct income reexaminations for income increases during the search period of the voucher for families initially leasing up in HAP's jurisdiction if the overall initial lease-up success rate is below 75% and the family reports an increase in regular, ongoing and sustainable income that will increase the likelihood of successful leasing.
12-I.B	Participants receiving zero subsidy	24 CFR 982.455	Family remains on the program for 60 days, assistance will restart if circumstances change before the expiration of the 60-day period (HAP policy - MTW).	LASO expressed a concern that this policy appears punitive and asked what the rationale was. The policy encourages family self-sufficiency and allows participants greater time to adjust to paying all of their rent, working full-time, etc. Currently families are allowed 60 days prior to losing their voucher once they achieve zero subsidy status. HAP recommends approval of the new policy.	Family remains on the program for 180 days with zero subsidy. Assistance will restart a maximum of two times during the family's participation in the program if circumstances change before the expiration of the 180-day period.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
12-I.E	Termination of assistance for identity theft	HAP Policy (MTW)	HAP will not terminate assistance if a family member has engaged in the crime of identity theft.	HCDC requested that the language be changed from "engaged in the crime" to "convicted of the crime" and the policy does not apply to juvenile family members. The new policy will not include minors, as HAP does not have access to juvenile records. HAP agreed to change the language to reflect conviction rather than engagement in the crime. LASO requested that the language be removed as federal regulations do not speak of identity theft. HAP is proposing that identity theft is a crime that is often linked to drug-related and violent criminal activity and may threaten health, safety or right to peaceful enjoyment of the premises by other residents. To ensure consistent and fair treatment of applicants and participants alike, HAP is proposing that a conviction for the crime not only results in denial of housing assistance, but in termination from the program as well. HAP recommends approval of the new policy.	HAP will terminate assistance if an adult family member has been convicted of the crime of identity theft while assisted.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
12-III.B	Termination of tenancy by owner for participants receiving zero subsidy in modrehab program	HAP Policy based upon original HUD contracts	Owner **may** choose to terminate tenancy for participants receiving zero subsidy.	HCDC requested that HAP researches whether the rules governing tax credits and HOME funds allow residents to stay in modrehab units as their income grows, without limit. HAP agreed to remove the language allowing or requiring modrehab owners to terminate tenancy based solely on the family's zero subsidy status.	Language removed.
16-II.B	Unit-by-unit exceptions to payment standards	24 CFR 982.503	Not addressed in current policy.		Unit-by-unit exceptions to HAP's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. In order to approve an exception, HAP must determine that: there is a shortage of affordable units that would be appropriate for the family; the family's TTP would otherwise exceed 70 percent of adjusted monthly income; and the rent for the unit is reasonable.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
16-III.C	Informal hearing officer	24 CFR 982.555	Current practice, not addressed in current policy.		Clarified that a program supervisor, other than the person who made or approved the determination in question or their subordinate, will conduct informal hearings for reasons other than program termination, such as: a determination of family's annual or adjusted income, a determination of the appropriate utility allowance for tenant-paid utilities, a determination of the family's voucher size under HAP's subsidy standards.
16-IV.B	Policy on repayment of owner debts to HAP	HCV GB p. 22-13	Not addressed in current policy, decisions are made on a case-by-case basis.		Clarified that HAP will not offer to enter into repayment agreement with owner.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
16-IV.B	Policy on repayment of family debts to HAP as a result of error and/or fraud by the family.	HCV GB p. 22-13	Family has up to 18 months to repay debt to HAP regardless of the amount owed.	HCDC requested that HAP does not apply the new timeframes in situations when there had been a genuine error made by the family. LASO requested that HAP defines the term "fraud" and makes more generous repayment terms in cases of error. HAP agreed to allow 6 months to pay the debt in full, regardless of the amount, in cases of unintentional error or omission by the family. Terms "fraud" and "error" are defined in Chapter 14 of the proposed plan.	In case of program abuse or fraud by the family, specified repayment terms are based on amount of debt: (1) Amounts under $500 must be repaid within 30 days, HAP will not offer to enter into a repayment agreement; (2) Amounts between $500 and $999 must be repaid within 90 days; (3) Amounts between $1,000 and $4,999 must be repaid within 6 months; (4) Amounts over $4,999 will be referred to HUD Office of Inspector General (OIG) for prosecution, HAP will not offer to enter into a repayment agreement. In case of unintentional error or omission by the family, the family will be allowed 6 months to repay the debt in full, regardless of the amount.

Summary of Proposed Revisions to Project-based Voucher Chapter of the Section 8 Administrative Plan

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
17-III.D	Regular inspections of PBV units	24 CFR 983.103	At least annually HAP will conduct a building inspection of all assisted units and common areas.	Letters were mailed to all PBV unit owners/managers. Input was taken via e-mail and a meeting was held on November 7. Four owners attended. Policies were understood and agreed upon.	At least annually HAP will inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and premises are maintained in accordance with HQS. If more than 20 percent of annual sample of inspected contract units in the building fails the initial inspection, HAP will reinspect 100 percent of contract units in the building.
17-VI.B	Family eligibility for PBV assistance	HAP Policy (MTW)	Eligibility criteria are the same as for the tenant-based HCV program.	Letters were mailed to all PBV unit owners/managers. Input was taken via e-mail and a meeting was held on November 7. Four owners attended. Policies were understood and agreed upon.	HAP will use its MTW authority in a manner that will provide greater access to the PBV program to low-income families with barriers. Screening and eligibility criteria may be different from the requirements for the tenant-based voucher program. HAP will determine an applicant family's eligibility for the PBV program based on the capacity of the service provider and specific population agreed to be served.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
17-VI.D	PBV subsidy standards	HAP Policy (MTW)	The owner must use the HAP's subsidy standards for tenant-based assistance to select applicants from the waiting list to fill vacant PBV units of appropriate sizes.	Letters were mailed to all PBV unit owners/managers. Input was taken via e-mail and a meeting was held on November 7. Four owners attended. Policies were understood and agreed upon.	If there are no families on the owner's waiting list that are eligible for vacant PBV units based on the HAP's subsidy standards, the owner may request HAP approval to select the next largest sized family on the waiting list that meets the following criteria: (1) the unit will not be overcrowded based on HQS space standards and (2) there is a minimum of one family member per bedroom (unless an additional bedroom is requested by the family as a reasonable accommodation and is approved by HAP in writing). HAP will evaluate the requests on a case-by-case basis. In deciding whether to grant approval, HAP will consider an audit outcome showing that the owner has taken appropriate steps to market large units and is maintaining the waiting list in accordance with HUD regulations and HAP requirements. Families that are selected from the waiting list based on these criteria and approved to move into vacant PBV units will be deemed qualified for that unit size.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
17-VI.F	Reduction in PBV contract units due to vacancies	24 CFR 983.254	Not addressed in current policy.	HCDC requested that the language be modified to accommodate the length of time it takes to move someone through approval process. HAP agreed to modify the language to reflect that units may be reduced if the owner/manager failed to refer families to HAP for approval within 120 days. Letters were mailed to all PBV unit owners/managers. Input was taken via e-mail and a meeting was held on November 7. Four owners attended. Policies were understood and agreed upon.	If any contract units have been vacant for 120 days and the owner/manager failed to refer families to HAP for program eligibility determination, HAP may give notice to the owner that the HAP contract can be amended to reduce the number of contract units that have been vacant for this period. HAP will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of HAP's notice.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
17-VII.B	Owner termination of tenancy for project-based voucher (PBV) and moderate rehabilitation units	24 CFR 983.257	Not addressed in current policy.	HCDC requested that HAP researches whether the rules governing tax credits or HOME funds allow residents to stay in modrehab units as their income grows, without limit. HAP agreed to remove the language allowing or requiring modrehab owners to terminate tenancy based solely on the family's zero subsidy status. Letters were mailed to all PBV unit owners/managers. Input was taken via e-mail and a meeting was held on November 7. Four owners attended. Policies were understood and agreed upon.	The owner of a PBV or a moderate rehabilitation unit may not terminate tenancy without cause, except as follows: (1) The owner of a PBV unit must terminate tenancy 180 calendar days after the last housing assistance payment to the owner in order to ensure that another low-income applicant can be served; (2) The owner of a PBV or a moderate rehabilitation unit must terminate tenancy if the family is absent from the unit for more than 60 consecutive days and HAP terminated family's assistance; (3) The owner of a PBV or a moderate rehabilitation unit must terminate tenancy if HAP terminated family's assistance for any reason; (4) if a PBV unit is a floating unit and assistance is not attached to a specific unit, the owner may choose not to terminate tenancy. Whether the owner chooses to terminate tenancy or not, the total number of awarded units must be filled with eligible PBV program participants in good standing with HAP.

Chapter	Issue	HUD Regulations/ References	Current Policy/ Practice	Community Input and HAP Response	New Policy
17-IX.C	Calculating tenant rent and PBV subsidy amount	HAP Policy (MTW)	For families that moved into an assisted PBV unit before 7/1/06 and have not had a decrease in voucher size after 7/1/06, HAP uses project-based calculation method. In all other cases, HAP uses tenant-based calculation method.	Letters were mailed to all PBV unit owners/managers. Input was taken via e-mail and a meeting was held on November 7. Four owners attended. Policies were understood and agreed upon.	HAP will use the standard HCV calculation method to determine the tenant rent and HAP subsidy amount. For families currently residing in PBV units using different calculation methods, those methods will convert to the standard HCV calculation at the time of the next regular recertification.

To: Legal Aide Services of Oregon and Oregon Law Center
From: Housing Authority of Portland
RE: Responses to Comments on the Proposed Administrative Plan for Section 8
Date: November 6, 2008

Chapter 1: Overview of the Program and Plan

- **Pg. 1-10**: A bullet point should be added to state one of the Owner's major responsibilities is complying with the Oregon Residential Landlord Tenant Act
- **This is a generic statement on a page that gives a general overview of the program. The actual owner requirements are stated in Chapter 13 and are in compliance with the HUD regs. 24 CFR 982.452.**

- **Pg. 1-11**: Unclear what is meant by the last sentence on the page. A family fulfilling their obligation is not, in most circumstances, a perquisite for a PHA to fulfill their regulatory duties.
- **This is just a general overview of the program requirements, no policy or regulation is included in this area, just a general text overview**.

Chapter 2: Fair Housing and Equal Opportunity

- No comments at this time.

Chapter 3: Eligibility

- **Pg. 3-12**: HAP can not require that any Reasonable Accommodation request, including a request for a live-in aide, is made in writing.
- **This requirement is already in the existing Administrative Plan, not a proposed revision and was a previously approved policy. However, if you refer to the revised plan page 2-9 it states that while the PHA will encourage the family to make its request in writing the PHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted. A reference to this policy will be added to page 3-12 to ensure staff consistency.**

- **Pg. 3-25**: What is the process that HAP will use to determine which drug rehabilitation programs will be "approved" by the PHA?
- **This requirement is already in the existing Administrative Plan, (pg 34 current Admin Plan) is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time.**

- **Pg. 3-26**: Definition of Immediate Vicinity should be less than a three block radius. Although the regulations do not appear to define what constitutes the "immediate vicinity," HUD did interpret "on or near" when it published the implementing federal regulations to mean "this standard would cover drug crime in a street or other right of way that adjoins the project or building where a Section 8 unit is located." 60 Fed. Reg. 34660, 34673 (July 3, 1995). Presumably the term "near" implies something farther from the property than the term "immediate vicinity."
- **We will adjust our definition of immediate vicinity to be within a one block radius in our definition on page 3-26.**

- **Pg. 3-28**: "The PHA will deny an applicant family if: the family owes rent or other amounts to any PHA, unless the family repays the full amount of the debt prior to being issued a voucher" should be modified to state that the rent or amount is still within the statute of limitations or is money owed under a judgment. The regulations upon which this language is based states that a PHA may deny admission if the family "currently owes rent or other amounts to the PHA." HUD has provided guidance on what constitutes a debt that is *currently owed* and thus valid grounds for admission denial to the Section 8 program. In commenting on the provisions of 24 CFR 982.552(c)(1)(v), HUD stated that:

> In HUD's view, the family is and should be held responsible for its own program debts to the HA, or for claims the HA paid to a Section 8 owner. Denying Section 8 assistance because of monies owed or Section 8 claims paid in connection with the Section 8 or public housing programs under the U.S. Housing Act of 1937 is not arbitrary, but bears a legitimate and logical connection to the HA responsibility for administration of the Section 8 program. Furthermore, the denial is based on a specific determination of law and fact. Contrary to the comment, ***the rule does not allow the HA to deny assistance for a debt to an HA that is barred by the statute of limitations***. By definition, an amount the family "currently owes" is not barred by the statute of limitations.

Section 8 Certificate and Voucher Programs Conforming Rule, 60 Fed. Reg., 34,689 (1995) (emphasis added). A recent federal court ruling in the Western District of Pennsylvania entitled Roxie Solomon vs. Housing Authority of the City of Pittsburgh, confirmed the view of HUD by ruling that a debt that was barred by the state statute of limitations is not currently owed to the Housing Authority and that admitting an applicant with a time-barred debt to the Housing Authority is not contrary to federal regulations. Further, the individuals applying to obtain a Section 8 voucher are low-income individuals in need of assistance meeting their financial requirements. The reality is that the vast majority of applicants will not be able to pay off the any amounts owing in one lump sum payment. Thus, Applicants should be given the opportunity to enter into a realistic payment plan with HAP to pay off any money "currently owes."

- **We will add the statement to page 3-28 as suggested above stating that money owed to any PHA would be subject to the local statute of limitations unless it is money owed under a judgment.**

- **Pg. 3-30**: The last sentence on the page states that the PHA will give a positive or negative reference on tenant history to an owner upon request. In light of previous statements on this page stating that PHA has no responsibility or liability to an owner for tenant screening, it is confusing that HAP will provide a reference on tenant history that an owner can rely on in assessing tenant suitability. What is HAP basing this positive or negative reference on? Program participants should be given the advance opportunity to review any information provided by a landlord that HAP will be relaying to prospective landlords. Program participants should also be given the opportunity to object and/or comment on any information that HAP will be using to determine if they are providing a positive or negative reference on tenant history.
- **We will amend page 3-30 to state that the PHA will provide enquiring owners with the prior Landlords name and address at the families current and prior addresses as shown in the PHA records. We currently inform participants of this policy during the briefing process; they receive this policy verbally and in written form.**

- **Pg. 3-32**: Under Removal of a Family Member's Name from the Application, it states that if a family agrees to remove a culpable family member from the application, then the head of household must certify that the family member will not be permitted to visit or stay as a guest in the assisted unit and that the family must present evidence of the former family member's current address upon PHA request. This provision far exceeds the language of the regulations which only provide that the not culpable family member "not reside in the unit." A preemptive ban on specific visitors violates a family's constitutional rights. We would request that the Administrative Plan follow the language of the regulations rather than the draconian language of the current draft.
- **The decision of an applicant to remove a family member from the application would be due to their failure to meet screening criteria. We believe ensuring that the applicant in question is truly removed from the household by requiring these additional verifications ensure the integrity of the Section 8 voucher program within the community at large. We will make an amendment to page 3-32 removing the restriction on visiting the unit, but we will retain the restriction on staying as a guest and the option for the PHA to request evidence of the former family member's current address.**

- **Pg. 3-33**: The paragraphs regarding use of a criminal record in an applicant denial and when that record will be provided to an applicant appears to be inconsistent. The first paragraph states that it will be provided prior to the denial letter and the second paragraph (PHA Policy) states that it will be provided with the denial letter.

- **The PHA policy on page 3-33 states that the "proposed" denial letter will be sent with a copy of the criminal record or sex offender registration to the applicant and to the subject of the record and they will be allowed 10 business days to review the information and request an informal review. This policy is in accordance with the regulations which require the PHA to notify the household of the proposed action, and give them an opportunity to dispute its accuracy and relevance prior to the actual denial of admission. The PHA policy is not inconsistent with the HUD regulation.**

- **Pg. 3-35: VAWA Victim Documentation**. Verification of domestic violence can be a difficult issue due to the complex dynamics of abusive relationships and the fact that victims of domestic violence choose to escape abusive relationship in a variety of different ways based on their own individual safety concerns. For example, some victims may have police reports documenting the abuse and/or orders of protection against their abuser. However, in other situations, the abuser may have isolated the victim totally from police, courts, health professionals and others who could provide corroborative evidence of abuse. Therefore, the dynamics of domestic violence often make if difficult for victims to access specific forms of proof. The Administrative Plan's victim documentation criteria should be sensitive to the above dynamics. Absent any reason to believe that the victim is not credible, HAP should accept a written victim's statement as certification of domestic violence. Only if there are legitimate concerns about the victim's credibility, should HAP seek additional verification such as third party written verification from a domestic violence advocate or another social service agency that the tenant is a victim of domestic violence. HAP should accept any credible evidence of abuse including but not limited to the following evidence that the United States Citizenship and Immigration Services accepts as evidence of abuse when implementing VAWA's immigration provisions: [1]
    - Victim's statement,
    - Restraining orders or civil protection orders obtained in any state.
    - Police reports
    - Photographs of any injuries
    - Corroborating witness statement
    - Medical records
    - Criminal court records
    - Statements of workers at domestic violence shelters or other domestic violence advocates
    - Evidence of property damaged

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[1] This list is derived from evidence routinely accepted by CIS and state protection order courts in domestic violence cases. 8 C.F.R.§ 204.2 (C)(1).

    - Reports, statements from police, judges and other court officials, medical personnel, school officials, clergy, social workers, and other social service agency personnel.

- **The PHA will amend page 3-35 to state that we will require documentation beyond self certification of the victim only if there are legitimate concerns about the victim's credibility. Sources we are willing to accept as acceptable documentation will remain as currently stated on page 3-35 which includes: A police or court record documenting the actual or threatened abuse, or a statement signed by an employee, agent, or volunteer of a victim service provider; an attorney, a medical professional, or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.**

- **Pg. 3-35: Submission of VAWA documentation**. The current draft of the plan requires that individual supply the VAWA documentation along with their request for an informal hearing or must request an extension in writing at the time to provide the documentation. Given that applicants must submit a request for an informal conference within 10 days of the denial letter, this short time line is not feasible to gather up the necessary paperwork. For example, if HAP is requiring secondary documentation such as a police report or a statement by a victim service provider, these documents will take time to gather. The Portland Police Records Department has a 10 day turn around for a copy of a police report. Applicants should be encouraged but not required to provide the VAWA documentation at the same time as the informal conference request similar to how HAP would process a Reasonable Accommodation request regarding an admission denial.
- **The participant already has an option to request a 10 day extension if necessary to gather documents (if required). This is in addition to 10 days they would have received in the initial notice of termination or denial to request an informal review/hearing. We believe 20 business days is adequate to gather documentation. An informal review/hearing may be unnecessary if documentation is submitted and the termination/denial is overturned.**

- **Pg. 3-36**: Documentation of Perpetrator Rehabilitation raises the same concerns about the time line for submission as those discussed immediately above.
- **The family has an initial 10 business days plus the option of a 10 day extension if necessary. HAP believes 20 business days is adequate to gather the required documentation**.

Chapter 4: The Application Process

- **Pg. 4-11**: In outlining the ability of a PHA supervisor to reinstate a family after a lack of response caused the family to be removed from the wait list, it states that family must contact the PHA in writing within 6 month from the application date to be considered for reinstatement. If the update requests are sent out annually, then an applicant could conceivably be removed from the waitlist 6 months after their application date. Further, a family could be on the wait list for more than one year. This section should be changed to provide that an applicant must request consideration to be reinstated within 6 months of being removed from the waitlist.
- **The language will be amended to state that an applicant must request consideration to be reinstated within 6 months of being removed from the waitlist**.

Chapter 5: Briefings and Voucher Issuance

- **Pg. 5-7**: In regards to the family obligation to not commit any serious or repeated violations of the lease and the PHA's determination that a family committed such violations based on available evidence, the PHA should not be able to make such determination on an owner's notice to terminate alone. The PHA should have some additional evidence to verify the allegations in an owner's notice to terminate.
- **The PHA will only consider termination based upon an owner's notice "if" the notice includes serious and repeated lease violations including but not limited to non-payment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits and criminal activity. If the eviction is contested in a court of law the PHA will always abide by the judge's ruling in the case. All participants are offered an informal hearing to ensure they have the opportunity to dispute owner allegations.**

- **Pg. 5-8**: In the family obligation to not engage in drug-related criminal activity or violent criminal activity, the PHA policy should be changed to track the language of the regulations that provides that the family obligation to not commit drug-related criminal activity or violent criminal activity applies to activities of <u>household members only</u> and not to guests or any other person on the property. 24 CFR 982.551(l). Further, a participant being held liable for the drug-related criminal activity or violent criminal activity of "any other person on the property" is inconsistent with Oregon state law on when tenants are liable for the acts of others in regards to their rental property. The family obligation as written in Chapter 5 is inconsistent with the Administrative Plan in Chapter 12 which properly tracks the regulatory language of limiting such activity to household member.
- **We have added the language back into the proposed plan, "under the tenant's control." We believe the language in the existing plan which states: "Members of the family may not engage in drug related or violent**

criminal activity" is a solid policy. This existing language states that the tenant, any member of the household, a guest, or another person under the tenant's control may not engage in drug related or violent criminal activity. This statement is consistent with the language in our Family Obligations as well. The existing policies have been previously adopted by the Board of Commissioners, they are not a proposed revision and we are not proposing changing the policy at this time. To ensure consistency between chapters our existing policy will be added to Chapter 12 as it is in the current plan.

- **Pg. 5-8**: The PHA's policy to hold a participant liable for the abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of others engaged in by a member of the household, guest or any other person on the property is inconsistent with the 24 CFR 982.551(m). Like above, the regulations only apply to alcohol abuse engaged in by a <u>household member</u>. Further, a participant being held liable for the activity of "any other person on the property" is inconsistent with Oregon state law on when tenants are liable for the acts of others in regards to their rental property.
- **We will amend the proposed plan to use the current Administrative Plan language on pages 101 and 35. The existing policies have been previously adopted by the Board of Commissioners, they are not a proposed revision and we are not proposing changing the policy at this time.**

- **Pg. 5-10**: For the additional requirement that a family may not currently owe rent or other amounts to any PHA, see comments above for pg. 3-28.
- **We will add the statement to page 5-10 as suggested above stating that money owed to any PHA would be subject to the local statute of limitations unless it is money owed under a judgment.**

- **Pg. 5-10**: For the additional requirement that no member of the family can have been evicted from public or federally assisted housing, is unduly restrictive and appears to be inconsistent with the provisions of Chapter 3, pg. 3-25, which provide that a family who has been evicted from federally assisted housing within the last 3 years for drug related criminal activity will not be assisted without evidence of rehabilitation. 24 CFR 982.552(c)(ii) limits the ban to five years. We request a time line of no more than five years. HAP's policies can not be more restrictive than the federal regulations.
- **We will add the five year time line which is consistent with our current plan**.

- **Pg. 5-10**: For the additional requirement that no member of the family can have been terminated from Section 8, is unduly restrictive and at a minimum be given a time limit.
- **We will add the five year time limit for the termination from Section 8**.

- **Pg. 5-12**: When assessing the bedroom size of a voucher, HAP should take into consideration the ages and sexes of the children if the children are more than a certain age apart such as 5 years. In those cases, the family should be given a voucher to allow each child to have their own bedroom.
- **This requirement is already in the existing Administrative Plan. This is not a proposed revision and was a previously Board approved policy. We are not proposing changing the policy at this time.**

- **Pg. 5-16**: The plan states that "the PHA will approve up to two 30-day extensions upon written request." Given the current rental market and the difficulty Section 8 voucher holders are having finding units to use their voucher, it would be administratively more efficient as well as advantageous for voucher holders to be issued one 60 day extension rather than having to request two separate 30 day extensions.
- **HAP is attempting to encourage the timely use of an issued voucher shorter time lines encourage an expedited search process.**

- **Pg. 5-16**: In discussing extensions of a Section 8 voucher, the plan provides that "the PHA will approve extension up to a total of 180 days if necessary as a reasonable accommodation" The regulations allow HAP to grant extensions beyond 180 days if necessary as a Reasonable Accommodation. Therefore we would request that the plan not limit extensions to 180 days when needed as a Reasonable Accommodation.
- **We don't believe it is reasonable to hold a voucher unutilized for a time period of greater than 180 days and therefore wish to maintain the proposed policy. However, on page 2-8 of the proposed plan it states the following: "The types of reasonable accommodations the PHA can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service, including providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit."**

Chapter 6: Income and Subsidy Determinations

- **Pg. 6-25**: The PHA's treatment of delayed start lump sum payment provides that if the payment is considered retroactively, the family may request to enter into a repayment agreement with the PHA. If a repayment agreement is entered into, the time lines for the family to repay such money should be feasible in light of the participant's current income and not subject to the short payment time lines outlined in Chapter 16 since the need for such a repayment plan is no fault of the participants.
- **The maximum time for lump sum repayment agreements in the proposed plan was increased to 6 months which is more generous than current board approved policy. Our current Administrative plan gives two options proactive, which includes the entire lump sum amount in the annual projected income, or retroactive which simply requires HAP to**

recalculate the rent and present the household with a one time bill for the difference in rental payment. (See current plan page 58)

Chapter 7: Verification

- **7-I.A Penalties for Failing to Consent**: We request that the language include "good cause" failures and explanations which would require HAP to grant a reasonable accommodation.
- **This requirement is already in the existing Administrative Plan, (pg 63, 36, and 102, current Admin Plan) is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time.**

- **7-II.A Verification of Legal Identity:** It is unclear what your policy is here. If you are saying each household member must provide a form of ID listed in this section, you will find that undocumented household members won't be able to provide this type of verification. So the list should be expanded. If you allow people to live in the unit prorated, then you must include other forms of identification. If you are requiring this only of people who will be subsidized, then that should be made clear.
- **We will add the statement "Including but not limited to" to the list of acceptable forms of verification of Legal Identity. This requirement is already in the existing Administrative Plan (pg 29 current Admin Plan), is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time.**

Chapter 8: Housing Quality Standards and Rent Reasonableness

- **No comments**

Chapter 9: General Leasing Policies

- **9-I.A** Tenant Screening: You state that you will give a positive or negative reference on tenant history. See comments p.3-30. What tenant history are you referring to? Is this only if participant has been in low rent public housing? What does "omitting details" mean?
- **We will amend page 9-2 to state that the PHA will provide enquiring owners with the prior Landlord's name and address at the family's current and prior addresses as shown in the PHA records. We currently inform participants of this policy during the briefing process; they receive this policy verbally and in written form.**

Chapter 10: Moving with Continued Assistance and Portability

- **10-I.B Restrictions on Moves:** See comments to 3-28 as to what "currently owes" means. Family should be allowed to enter into a payment plan (See comments on Chapter 16 payment plan).
- **We will add the statement to page 3-28 as suggested above stating that money owed to any PHA would be subject to the local statute of limitations unless it is money owed under a judgment.**
- **The restriction on moving when a debt is owed to a PHA is already in the existing Administrative Plan, (pg 87 current Admin Plan) is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time.**

- **10-I.C Moving Process:** HUD regulations 24 CFR 982.311(d) do not seem to allow a PHA to pay beyond a month that the tenant lives there. We are particularly concerned about this because you may try to collect this amount from the tenant and then refuse to transfer them or deny a new application because of the amounts that you paid by your own decision to a Section 8 landlord, even though the regulations do not permit such payments.
- **HAP intends to use its MTW authority to work outside of the regulations to implement this change. This policy is being proposed with the intent of improving landlord relations within our community to increase the leasing success rate for applicants and participants. HAP does not intend to bill the participant for the additional month beyond the month in which they resided in the unit. This statement will be added to page 10-6.**

Chapter 11: Reexaminations

- **11-I.B Scheduling Regular Reexaminations:** The section dealing with a participants "failure to respond" does not seem to allow for good cause or reasonable accommodation. That language should be in there. It also seems punitive to refuse to restart a subsidy because within a six months period a family falls into economic hard times three times. What is the rationale for this position?
- **Please see page 12-12 of the proposed plan which states: If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the PHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation."**

- **The rationale for allowing a family to re-start assistance a maximum of two times during their 6 months of zero HAP is to encourage self sufficiency. This policy allows participants greater time to adjust to paying all of their rent, working full time, child care issues, etc. Currently families are allowed 60 days once they achieve zero assistance payments prior to losing their voucher.**

- **11-I.E Effective dates:** If the family appeared to cause the delay the family should be given an opportunity to show good cause and the possible need for a reasonable accommodation. In addition you cannot fail to give the participant a written 30 day notice of a rent increase as it is required by Oregon Landlord Tenant law.
- **Chapter 2 discusses our overall Fair Housing and Reasonable accommodation policies. Those policies apply to all chapters and situations and do not need to be re-stated in every chapter.**
- **The effective date of the regular recertification must remain the same or earlier than the contract anniversary date to ensure timely payment. Therefore, we chose to maintain the effective date in the case of a participant failing to act timely rather than requiring the participant to pay back dollars owed to the Housing Authority and is burdened with a debt or with holding the payment entirely. We are not the landlord and we are not changing the contract rent, only the participants' portion. The participant is notified of the pending change and the requirements for completing the regular recertification 120 days prior to the effective date. This initial letter is followed up with a second final request. The final request is always reviewed for a reasonable accommodation. Participants responding timely will always receive more than a 30-day notice of their tenant rent portion.**

- **11-II.B Changes in Family and Household Composition:** This section is too restrictive. There are other reasons for increases in family size other than birth, adoption, and court awarded custody that should not require PHA approval to add a family member. There could be other reasons such as family reunification. This list needs to be expanded or only used as some examples.
- **This requirement is already in the existing Administrative Plan, (pg 63 and 64 current Admin Plan) is not a proposed revision and was a previously Board approved policy. We are not proposing changing the policy at this time. Additionally, HUD regulation 24 CFR 982.551 states: (h) Use and occupancy of unit.--(1) The family must use the assisted unit for residence by the family. The unit must be the family's only residence. (2) The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. The family must request PHA approval to add any other family**

member as an occupant of the unit. No other person [i.e., nobody but members of the assisted family] may reside in the unit (except for a foster child or live-in aide as provided in paragraph (h)(4) of this section).

- **11-II.C Changes Affecting Income or Expenses:** To require zero income people to report in person every three months appears onerous. Do the participants risk termination if they miss a meeting? There should also be good cause excuse and reasonable accommodation.
- **This requirement is already in the existing Administrative Plan, (pg 83, current Admin Plan) is not a proposed revision and was a previously Board approved policy. We are proposing a slight change in the policy making it less restrictive. Currently the policy states that a review will be scheduled quarterly if any adult in the household has no determinable and/or stable income. The new proposed policy requires a review quarterly for zero income families rather than individuals.**
- **Chapter 2 discusses our overall Fair Housing and Reasonable accommodation policies. Those policies apply to all chapters and situations and do not need to be re-stated in every chapter.**

As stated above in 11-I.B what is the rationale for refusing to do a re-exam and basically terminating participants who, within a six month period have a change in income which would go from zero subsidy to some subsidy? In these economic hard times, this appears punitive.
Refer to prior response under item 11-1B above.

- **11-II.D Processing the Interim Reexam:** Again the requirement that participants contact the PHA only in writing could violate the Fair Housing Laws. Of course, writing and keeping a copy is preferable, but you must include alternative methods for people with disabilities, language barriers and who are illiterate. In 12-I.C, you allow the participant to give verbal notice of termination from the program and HAP will send a confirming letter. We also repeat our comment in 11-IB regarding good cause and reasonable accommodation.
- **This requirement is already in the existing Administrative Plan, (pg 65 and 84 current Admin Plan) is not a proposed revision and was a previously Board approved policy. We are not proposing changing the policy at this time.**
- **Chapter 2 discusses our overall Fair Housing and Reasonable accommodation policies. Those policies apply to all chapters and situations and do not need to be re-stated in every chapter.**

Chapter 12: Termination of Assistance and Tenancy

- **12-I.E. Mandatory Policies and Other Authorized Terminations**: *Currently engaged in:* You define it as "use of illegal drugs within the last six months". Where did you obtain this definition? We think this is too expansive a definition, particularly if the person has been in a drug rehabilitation program. We would like is narrowed to 30 days.
- **The definition of currently engaged is not too broad, and is the recommended policy from Nan McKay and Associates, a reputable training/consulting firm for the Section 8 program across the nation. On page 12-11 of the proposed plan it states that a PHA should always consider circumstances of individuals prior to termination. In the case of drug or alcohol abuse, the proposed PHA policy states that the PHA will consider whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully before considering termination**.

  Drug Related Violent Criminal Activity; You state the regulations correctly. HAP can only terminate for drug related or violent criminal activity of <u>household members</u>. They cannot terminate for such alleged activities of *guests* or *persons within the control*. See 24 CFR 982.551(l); 24 CFR 982.553(b)(2).

  - **We have added the language back into the proposed plan, "under the tenant's control." We believe the language in the existing plan which states: "members of the family may not engage in drug related or violent criminal activity" is a solid policy. This existing language states that the tenant, any member of the household, a guest, or another person under the tenant's control may not engage in drug related or violent criminal activity. This statement is consistent with the language in our Family Obligations as well. The existing policies have been previously adopted by the Board of Commissioners, they are not a proposed revision and we are not proposing changing the policy at this time. To ensure consistency between chapters our existing policy will be added to Chapter 12 as it is in the current plan.**

  We are concerned that the crime of identity theft is raised to the level of termination or denial. The federal regulations do not speak of identity theft. The regulations discuss *drug related criminal activity* which is defined as *illegal manufacture, sale, distribution or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug. Violent criminal activity* is defined as *any criminal activity that has one of more of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to* *cause serious bodily injury or property damage.(See 25 CFR 5.100)* Identity theft is not mentioned nor does it fall within any of these definitions. We request that you remove this specific crime from this category.

- **The denial of assistance for the crime of identity theft is already in the existing Administrative Plan, (pg 32 current Admin Plan) is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time.**
- **At this time we are proposing that identity theft is a crime that is often linked to drug and violent criminal activity and may threaten the health safety and right to peaceful enjoyment of the premises by other residents. In an effort to ensure consistent and fair treatment of applicants and participants alike, we are proposing that a conviction for the crime of identity theft not only result in the denial of housing assistance but the termination from assistance as well.**

Please see the comments to page 5-10 regarding the lifetime ban for a person who was ever terminated from the voucher program.

- **We will add the five year time limit for the termination from Section 8.**

- **12-II.C Alternatives to Termination of Assistance:** Requiring a family to repay within ten business days of receiving the notice is a plan that practically assures failure. This appears punitive especially if the family is not at fault. HAP needs to have good cause and reasonable accommodation available as an excuse for failure to pay.
- **The 10 day limit only applies to families who have breached the terms of a repayment agreement previously entered into with the PHA.**
- **Chapter 2 discusses our overall Fair Housing and Reasonable accommodation policies. Those policies apply to all chapters and situations and do not need to be re-stated in every chapter.**

- **12-II.D Criteria for Deciding to Terminate Assistance:** The term "available evidence" is not defined. We remind HAP that uncorroborated hearsay is insufficient to meets HAP's burden of proof by preponderance of the evidence.
- **Chapter 16 page 20 of the proposed plan contains a concise definition of the types of evidence including:**
  Any evidence to be considered by the hearings officer must be presented at the time of the hearing. There are four categories of evidence. **Oral evidence**: the testimony of witnesses. **Documentary evidence**: a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof. **Demonstrative evidence**: Evidence created

specifically for the hearing and presented as an illustrative aid to assist the hearings officer, such as a model, a chart or other diagram. **Real evidence**: A tangible item relating directly to the case. *Hearsay Evidence* is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearings officer's decision. If either the PHA or the family fails to comply with the discovery requirements described above, the hearings officer will refuse to admit such evidence. Other than the failure of a party to comply with discovery, the hearings officer has the authority to overrule any objections to evidence.

- **12-II.E. Terminating Assistance of DV/SA victims and perps:** We refer you to our comments for page 3-35 on VAWA Victim Documentation and Submission of VAWA Documentation.
- **Please see our comments above under item 3-35.**

- **12-II.F Termination Notice**
  In this section you state that you will accept a verbal notice from the family to terminate their assistance. This should be the case in other forms of communication from participant to HAP.
- **We prefer written notice but are proposing that we accept verbal notice in this case. The participant in this situation has made the decision to leave the Section 8 program and voluntarily give up their voucher. We always request formal written notice but in the event that they fail to provide such notice, it would be impractical to hold a voucher for a family that no longer wishes to utilize it due to their failure to provide us such notice in writing. The PHA wants the ability to re-issue the voucher to another low income household from the waiting list**.

HAP cannot have a policy that violates the HUD regulations, and therefore cannot use a document (Statement of Family Obligations) as a binding contract on a participant which contains terms which violates HUD regulations.

STATEMENT OF FAMILY OBLIGATIONS

We request that HAP's policy on *beyond normal wear and tear* should also state that if the security deposit is more than enough to cover the "damages", HAP will not terminate the voucher.

This requirement is already in the existing Administrative Plan, (pg 63 and 65 current Admin Plan) this is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time. Additionally, program integrity within the landlord community is of great

importance to us. HUD regulation 24 CFR 982.404 states: 3) If the family has caused a breach of the HQS, the PHA must take prompt and vigorous action to enforce the family obligations. The PHA may terminate assistance for the family in accordance with Sec. 982.552.

HAP does not define *available evidence* except to give examples. An eviction notice from a landlord is hearsay, and uncorroborated hearsay evidence is not enough to meet the burden of preponderance of the evidence.
Refer to response above under item 12-II.D.

The federal regulations do not allow HAP to terminate a voucher for the violent criminal activity or drug related criminal activity or other criminal activity or abuse of alcohol by anyone other than a **household member**. *Household member* is defined *as family and PHA-approved aide. (See 24 CFR 5.100).You* cannot terminate for such behavior by a *guest or other person on the property.* In addition there is no term in the regulations that say "other person on the property". That phrase could include a burglar on the property. Is HAP trying to say it could terminate a voucher because a participant was burglarized? HAP must stay within the federal regulations. Section 12-I.E correctly states the law. See 24 CFR 982.553(b)(2), 982.551(l) and 982.551(m).
Refer to response above under item 5-8.

Chapter 13: Owners

- No Comment at this time.

Chapter 14: Program Integrity

- No Comment at this time.

Chapter 15: Special Housing Types

- No Comment at this time.

Chapter 16: Program Administration

- **16-IIIB**
  Scheduling an informal review: To require that all requests be in writing could very well violate the Fair Housing Act, 504 Rehabilitation Act, ADA. We recommend that the statement be more inclusive of other forms of communication to request the hearing.
- **Chapter 2 discusses our overall Fair Housing and Reasonable accommodation policies. Those policies apply to all chapters and situations and do not need to be re-stated in every chapter.**
- **Page 2-14 of the proposed plan addresses this concern as follows:**

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the PHA's informal review process and their right to request a review. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

When a participant family's assistance is terminated, the notice of termination must inform them of the PHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, the PHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the PHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PHA must make the accommodation.

- **16-IIIC**
  Scheduling an informal Hearing: Our comment is the same as above.
  See response to item 16-III B above.

- **16-IIID**
  Representation and Interpretive Services: The PHA is required to provide an interpreter at their expense. The family is not required to pay for the interpreter. Title VI.
- HUD regulations 24 CFR 5.514 (f) states:
  (F) Interpretive services. The family shall be entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or responsible entity, as may be agreed upon by the two parties to the proceeding; and
  The language in the proposed administrative plan is consistent with the applicable regulation.

- **16-IVB Repayment Policy**
  Payment Thresholds: We agree with HCDC that the repayment policy is not really a repayment policy that is doable for low income participants. If a participant was able to come up with $500 in less than 30 days or $1000 within 90 days, or $4999 in six months, then you would wonder if they were correctly reporting their income to you. To go from 18 months repayment plan to less than 30 days seems punitive, and a way to assure that the participants will fail. You state that you will apply this only in cases where there is *fraud or fraud like behavior*, but you do not define these terms. We request that you make more generous repayment plans in cases of error.

- **We clearly define fraud in the proposed plan on page 14-3 as follows: For purposes of this chapter the term *error* refers to an unintentional error or omission.**
- **P*rogram abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.**
- **In cases where there is evidence of fraud as clearly defined above, the participant has had additional income which would deem them able to meet the more stringent repayment criterion. Keep in mind that the repayment was calculated based upon the amount of rent the participant should have been paying due to their unreported income.**
- **In the case of unintentional error we are proposing a 6 month repayment time.**

Non-payment
Our only comment here is that you state that if a family receives three delinquent notices in a 12 months period, the repayment plan will be considered in default. If the longest repayment plan proposed is 6 months, how could there be three late or missed payments in a 12 month period?

- **We will adjust the language to state three late or missed payments in a 6 month period**.

Chapter 17: Project-Based Vouchers

- **17-VIG: Tenant Screening:** We reiterate our earlier comment concerning HAP's taking inconsistent positions on who screens the tenants. On the one hand you say that the owner has to do his/her own screening of applicants, but then you say that you will give *a positive or negative reference on tenancy history, omitting details.* What information do you have on these applicants? What does omitting details mean? Are you planning to give the applicant a copy of whatever it is you give the owner?
- **We will amend page 17-40 to state that the PHA will provide enquiring owners with the prior Landlord's name and address at the family's current and prior addresses as shown in the PHA records. We currently inform participants of this policy during the briefing process; they receive this policy verbally and in written form.**

- **17-VII.B: Lease:** It is unclear to us if on page 17-42, when you say after one year the lease will convert to a month to month tenancy, you are saying that the Owner would not need good cause to evict after the first year. We think it should be very clear in this section that the Owner always needs good cause to evict from Project Based Section 8 Building.
- **Page 17-42 states:** PHA Policy (MTW)
  The initial lease term must be for one year. After the initial term, the lease will convert to a month-to-month agreement unless the owner and tenant

agree to a longer term. The owner may not refuse to renew the lease without cause.

- **Page 17-43 of the proposed plan clearly states** the few reasons an owner could evict or terminate without cause, they include the following:
  PHA Policy (MTW)
  The owner of a PBV or a moderate rehabilitation unit may terminate tenancy for cause.
  The owner of a PBV or a moderate rehabilitation unit may not terminate tenancy without cause, except as follows:
  - The owner of a PBV unit must terminate tenancy for an over-income family 180 calendar days after the last housing assistance payment to the owner in order to ensure that another low-income applicant can be served. An over-income family is a family that received zero subsidy from the PHA based on family's income.
  - The owner of a PBV or a moderate rehabilitation unit must terminate tenancy if the family is absent from the unit for more than 60 consecutive calendar days and the PHA terminated family's assistance.
  - The owner of a PBV or a moderate rehabilitation unit must terminate tenancy if the PHA terminated family's assistance for any reason.
  - If a PBV unit is a floating unit and assistance is not attached to a specific unit, the owner may choose not to terminate tenancy without cause for the above reasons.

  Whether the owner of a PBV unit chooses to terminate tenancy or not, the total number of awarded PBV units must be filled with eligible PBV participant families in good standing with the PHA.

- **17-7.C: Moves:** HAP will offer a family that is in a unit that is overcrowded (or accessible and the family does not need this feature) a PBV assistance in another unit in the same building, PBV assistance in another building or a tenant-based voucher. But if the family is in a unit that is too large, HAP will only offer another unit in the same building or allow the tenant to pay the difference in the unit they are in, and if neither option is available HAP will terminate the assistance. Why would you terminate assistance to a family that is in a wrong-size unit and you have nothing to offer them? This appears to be contrary to 24 CFR 983.259 which states that the PHA would only terminate assistance if the family does not accept an offer of assistance in another unit. HAP cannot act contrary to the regulations, and this action appears harsh and arbitrary.
- **This requirement is already in the existing Administrative Plan (pg 7 of Appendix E current Admin Plan) is not a proposed revision and was a previously Board-approved policy. We are not proposing changing the policy at this time.**

MEMORANDUM

SUBJECT: **RESOLUTION 08-11-02 AUTHORIZES SUBMISSION OF AN APPLICATION TO THE STATE OF OREGON DEPARTMENT OF HOUSING AND COMMUNITY SERVICES SEEKING 4% LOW INCOME HOUSING TAX CREDITS NECESSARY TO FINANCE THE DEVELOPMENT OF THE RESOURCE ACCESS CENTER AND RESIDENTIAL HOUSING UNITS TO BE OWNED BY RAC HOUSING LIMITED PARTNERSHIP**

TO: **BOARD OF COMMISSIONERS**

FROM: **STEVEN D. RUDMAN 503.802.8455 stever@hapdx.org**
Contact: Michael Andrews 503.802.8507 michaela@hapdx.org
Theresa Auld 503.802.8319 theresaa@hapdx.org

DATE: **November 12, 2008**

ISSUE:
The Board is being asked to authorize submission of a 4% Low-Income Housing Tax Credit application to Oregon Housing and Community Services for the development of the Resource Access Center. OHCS requires a board resolution that authorizes submission of the application and accepts responsibilities associated with the application for requested funds.

BACKGROUND:
Requests for emergency shelter in Portland increased by 70% between fiscal years 2007 and 2008, and a 2007 count had already found over 1,400 people sleeping on Portland streets. As a response to this increase and the potential for even greater demand as individuals try to adjust to the economy, many organizations have come together to support the RAC Development. The development will serve goals listed in the Ten-Year Plan to End Homelessness that has been adopted by the City of Portland and Multnomah County. Moreover, the Portland Business Alliance, homeless advocates, the Portland Police, and business and neighborhood associations have all participated in the design of the building and the development of the programming.

As envisioned, the RAC Building will house an access center for information and referral hub for individuals and families struggling with homelessness (providing counseling, hot showers, storage, and housing-search assistance). The RAC Building will house an up-to-date replacement for TPI's 90-bed men's shelter. The RAC Building will include over 100 units of affordable housing. Additionally, the RAC Building may contain groundfloor retail space that will help it and its residents blend in with the surrounding neighborhood.

The budget for RAC Building development is $43.8 million. Portland Development Commission ("PDC") is committing $28 million of Tax Increment Financing ("TIF") funds. The tax credit portion of the building will be supported with 4% Low-Income Housing Tax Credit equity, tax exempt bonds (for development only—paid off after development), HAP proceeds of not more than $6.52 million and other affordable housing sources.

HAP intends to utilize a combination of Portland Development Commission ("PDC") Tax Increment Financing ("TIF") funds, Low Income Housing Tax Credits, tax-exempt bonds, and other resources to develop the $43.8 million RAC Building

PDC TIF funds	$28,000,000
HAP proceeds (Sale proceeds & Developer Fee)	$6,520,000
Energy efficiency and sustainability proceeds	$500,000
Bond proceed interest revenue	$237,000
Tax credit equity	$8,581,000
Total	$43,838,000

The economy has had a substantial effect on the bond financing and tax credit equity markets. The downturn in the economy is reducing corporate profits and reducing the their need for tax credits and their appetite for this 15-year investment strategy. The mortgage crisis has hit many financial companies hard, causing many bankruptcies and mergers, reducing the funds available for lending and reducing investor's appetite for additional lending activities. We believe the effect from the bond financing market is minimal because the RAC project will carry a short construction finance term of less than 36 months, a product that is still feasible and desirable for local bankers. HAP is anticipating higher interest rates on during the construction period.

Changes in the tax credit equity market have had a substantial effect in the development of tax credit properties and this effect is anticipated to continue for a long time. FNMA and FDMC investments in the tax credit market accounted for over 40% of the national market. These investments stopped with the government takeover of FNMA. With the economic downturn corporations are generating fewer profits and will benefit less from their existing portfolio of tax credit investments. This has substantially decreased the appetite for new tax credit investments.

The few tax credit investors that remain are seeking high-quality, low risk properties, more guarantees and reserves and experienced developers and general partners. HAP is a highly respected developer and operator of tax credit properties worthy of investments in this tax credit market. HAP's properties are respected as mission-driven developments carrying little risk of foreclosure, even when those properties serve resident populations with very low income and a need for services.

The Resource Access Center is very mission-oriented and is being structured to be feasible to develop and operate. Investors, however, may prefer to invest their scarce funds in more conventional properties. HAP has anticipated a substantial drop in the price per tax credits from $0.80 per tax credit to $0.60 per tax credit for the Resource Access Center resulting in reducing the development budget from $47.6 million to $43.8 million. We continue to listen to the tax credit market and will incorporate findings into the budget for the Resource Access Center as necessary to successfully complete development of this property.

HAP intends to provide operating subsidy to support approximately 40 public housing units and approximately 74 project-based Section 8 units. HAP intends to utilize HUD's Mixed Finance model to operate this rental housing, specific housing program assumptions to be finalized by January 2009. This model allows Low Income Housing Tax Credit equity, and other commonly used affordable housing resources for development and a rental unit mix incorporating affordable housing rents, project-based section8 rental subsidy and public housing operating subsidy for operations.

This application to OHCS will focus on the RAC Housing, TPI Offices and the Resource Access Center, but will provide information about the other building parts as necessary to clarify the overall building program and the feasibility of the overall development. This resolution authorizes the submission of an application for 4% Low Income Housing Tax Credits or other state affordable housing resources. The application will be submitted before December 31, 2008.

This RAC Building will consist of two financial closings that will occur around July 31, 2009. Future authorization to execute financial transaction documents will be sought as this development progresses.

RECOMMENDATION:
Details related to the application for Low Income Housing Tax Credits and the project components that these credits will finance have been reviewed with the Board of Commissioner's at the monthly briefing. Staff recommends approval of Resolution 08-11-02.

RESOLUTION 08-11-02

AUTHORIZES SUBMISSION OF AN APPLICATION TO THE STATE OF OREGON DEPARTMENT OF HOUSING AND COMMUNITY SERVICES SEEKING 4% LOW INCOME HOUSING TAX CREDITS NECESSARY TO FINANCE THE DEVELOPMENT OF THE RESOURCE ACCESS CENTER AND RESIDENTIAL HOUSING UNITS TO BE OWNED BY RAC HOUSING LIMITED PARTNERSHIP

WHEREAS, the Housing Authority of Portland ("HAP" or the "Authority"), at the request of the City of Portland, has undertaken to develop the Resource Access Center building ("RAC Building") as part of the City of Portland's 10-Year Plan to End Homelessness at a projected cost of $43.8 million (reduced from $47.6 million due to tax credit equity assumptions of $0.60 per tax credit, but adjustable to an increased amount if the City of Portland provides additional funds) to provide the resource access center, affordable rental housing, office space for Transition Projects, Inc. and a 90-bed men's shelter; and

WHEREAS, the City Council adopted its Resolution No. 36367 on December 21, 2005 and thereby adopted "Home Again: A Ten Year Plan to End Homelessness" (10 Year Plan), which seeks permanent solutions to homelessness by focusing on the most chronically homeless populations, streamlining access to existing services to prevent and reduce homelessness and concentrating resources on programs that offer measurable results, and

WHEREAS, the Governor of the State of Oregon (State) directed by Executive Order #06-05 on April 4, 2006, the establishment of the Ending Homelessness Advisory Council; and

WHEREAS, the State adopted "A Home for Hope: A Ten Year Plan to End Homelessness in Oregon" (10 Year Plan) in June 2008 which seeks to redefine state systems so as to provide support for local efforts and to eliminate barriers that hinder efforts to end homelessness; and

WHEREAS, the HAP seeks to encourage the provision of long-term housing for low-income persons residing in the City of Portland, Oregon ("City") and further to support both the City and State 10-Year Plans; and

WHEREAS, HAP will develop the RAC Building as a condominium community, including a condominium incorporating the affordable rental housing, resource access center, and TPI offices to be owned by RAC Housing Limited Partnership and one or more condominiums incorporating the men's shelter and any retail spaces to be owned by HAP; and

WHEREAS, HAP has received a pledge of $28 million of Tax Increment Financing ("TIF") funds from Portland Development Commission ("PDC") to develop the RAC Building; and

WHEREAS, HAP and Transition Projects, Inc. (TPI) have entered a Memorandum of Understanding in which both HAP and TPI agree to work together in development and operations of this building and to begin construction of the RAC Building by August 1, 2009, and to complete the construction by January 1, 2011; and

WHEREAS, HAP and PDC plan to enter Inter-government Agreement in which both HAP and PDC agree to begin construction of the RAC Building by August 1, 2009, and to complete the construction by January 1, 2011; and

WHEREAS, HAP intends to utilize a combination of Low Income Housing Tax Credits, tax-exempt bonds, PDC TIF funds, other resources and HAP proceeds in the amount of $6.5 million to develop the RAC Building; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of Portland authorizes the Executive Director to:

1. Submit an application to the State of Oregon Department of Housing and Community Services seeking Low Income Housing Tax Credits and affordable housing resources including, but not limited to an amount of 4% Low Income Housing Tax Credits supported by the eligible basis generated by the project to be developed and owned by RAC Housing Limited Partnership.

2. Accept the responsibilities and requirements associated with funds that may be awarded to HAP for the RAC housing project by the State of Oregon Department of Housing and Community Services as a result of this application, and

ADOPTED: November 18, 2008 **HOUSING AUTHORITY OF PORTLAND**

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Jeff Bachrach, Chair

ATTEST:

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Steven D. Rudman, Secretary